

SECRET

Administrative Registry

71-23067

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1 MAY 1972

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Report of the Inspector General's Survey
of the Office of Personnel

You have received copies of the Inspector General's report on his survey of the Office of Personnel. May I have your comments on the recommendations in the report within sixty days of the date of this memorandum.

[Redacted Signature]

L. K. White
Executive Director-Comptroller

25X1

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Excluded from automatic
downgrading and
declassification

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TO	NAME AND ADDRESS	DATE	INITIALS
1	Deputy Director for Support		
2			
3			
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5			
6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

Jack

Attached are two copies of the IG survey of the Office of Personnel for use within your directorate.

25X1



GMS

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
Inspector General	5/30/71

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Director of Personnel 5E-56

I am attaching a copy of the Inspector General's Survey of the Office of Personnel for your information and action. I would appreciate receiving your comments by 18 June 1971 in order that we may prepare a suitable reply to the Executive Director-Comptroller before 2 July. Recommendations 1 and 10 have been sent to the Directors of Logistics and Medical Services, respectively, for their comments.

JSW
John W. Coffey

Deputy Director for Support, 7D-18 5 MAY 1971

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SOS/DD/S :bbt (5 May 71)

Distribution:

- Orig - Adse w/cy IG Survey
- X - DD/S Subject
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INSPECTOR GENERAL'S SURVEY

OF THE

OFFICE OF PERSONNEL

April 1971

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S E C R E T

INSPECTOR GENERAL'S SURVEY
OF THE
OFFICE OF PERSONNEL

April 1971

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SUMMARY AND CONCLUSIONS

1. The Office of Personnel encompasses some twenty functions ranging from recruitment to retirement, from position management to the control of official records of employees, and from statutory benefit programs such as overseas hospitalization, to services such as travel processing, life insurance, and the Credit Union. One branch, Personal Affairs, alone administers 16 benefit and service programs. The personnel-focused functions of security, medical services, and training are of course organized and managed as separate components in CIA for reasons of specialization and, to ensure maximum protection of many varieties of sensitive, often unevaluated, information concerning employees. Coordination of the work of these personnel-oriented components occurs continuously at all levels but is originated most frequently with respect to policy matters under the aegis of the Director of Personnel.

2. The personnel officers assigned to each major operating component of the Agency constitute the remaining major constituent of the formal Agency personnel system. They ensure that the basic rules of personnel administration are applied consistently throughout the Agency and that the ultimate expertise of the Office of Personnel, the Agency's senior command, and the U.S. Government are brought to bear as needed.

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3. We completed our inspection of the Office of Personnel with very favorable impressions overall of its health and contributions to the effectiveness of Agency operations. Despite the many suggestions for change or experimentation with alternative policies which are offered in this report, we are convinced that the great majority of the services of the Office of Personnel are well designed and first class in quality. We interviewed many excellent officers in this component who approach the Agency's personnel management problems with imagination and dedication. ✓

4. There were various circumstances that worked to limit the range of this inspection. One of the most important was the DDS project known as the Support Information Processing System (SIPS). Six of the ten SIPS subprograms are aimed at operations of the Office of Personnel. SIPS designed proposals for many of the OP operations are far along toward implementation. SIPS is an extremely complex interoffice undertaking, and it was impractical for our team in the time available to go beyond general briefings on its prospects. We have noted at several points in our report that the SIPS work on particular OP systems looks professional and seems to promise valuable results. We were unable to estimate whether the extremely ambitious SIPS objective of a remote access, time-shared, integrated DDS data base was indeed a reasonable objective so far as the Office of Personnel 7

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is concerned, nor how soon the SIPS plan will prove feasible and prudent within the current state of the art in computer software and hardware.

5. A second consideration influencing the scope of our survey was the previously initiated IG inspection of the Operational Services of the DIP which was completed in November 1970. That inspection dealt in depth with the personnel management policies and programs of the Clandestine Service, and we avoided, for the most part, going over that ground a second time.

6. A third influence on our survey although intangible and difficult to assess was the occurrence during the period of our inspection of a decline in OP workload for the three reinforcing reasons of (a) reductions in Agency strength--a matter of management policy, (b) slowdown and change in character of Agency manpower attrition due to the business slump--i.e., market conditions, and (c) the regular winter drop in workload in some programs, i.e., seasonal variation. While we found it difficult to identify under-employed OP resources, we suggest that the likelihood of under-employment should be closely watched and that it invites new experiments in economy along such lines as TDY in lieu of PCS recruiting, use of contract employees during peak load periods in such operations as central processing and clerical induction, and adjustment of the work week to fit seasonal load. ✓

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7. It was evident to this inspection team, as it has been to previous teams, that the key to the evaluation of personnel administration in CIA lies in appreciation of the sharply drawn lines between personnel support and personnel management functions. The Director of Personnel stands aside and apart from the managers of operating components in their exercise of the basic functions of selecting and tasking employees, evaluating their performance, and promoting them in the light of their achievements. We detected no trend toward modification of this historic allocation of management authority.

8. We talked to virtually all of the Agency's personnel officers assigned to operating components about their working relationships with line managers. It was evident that while some personnel officers merely provide technical services according to the rules, others play a very constructive role in identifying and initiating action on problems of performance, career development, and even poor supervision. We have concluded that a better system is needed for the selection and development of personnel officers. The present-day methods are informal and undefined. Guidelines for the development of professional personnel officers are lacking. Mastery of technical processes predominates historically as the route to senior personnel officer assignments. ✓

9. We concluded that the Director of Personnel ought to be more

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aggressive in coordinating the policies and programs of the Agency's twenty-three career services. There is little or no effort today on the part of the Office of Personnel to acquire, analyze, publicize, and promote minimum standards of practice among the career services. It is very difficult, therefore, for the Director of Personnel to judge whether the career services are in good shape or ought to be doing a good deal more in such vital areas as (a) counselling and planning of careers, (b) advertising and filling job vacancies fairly and effectively, (c) controlling inflation in fitness report ratings, (d) improving management patterns in dealing with marginal performance employees, and (e) controlling the process by which clerical and technician employees move up to professional positions. ✓

10. We found the planning function of the Office of Personnel mislocated inside one of the three major subdivisions of the office. This automatically introduces problems of perspective and communication for the staff in working across command lines. In fact, each of the OP functional components is largely self-sufficient in planning, and the Plans Staff devotes its energies primarily to studies levied on the office by the top management of the Agency. We would like to see the staff draw on a wider range of skills and experience in intelligence operations and improve its awareness of the planning interests and needs of the career services. We noted a variety of procedural, file maintenance, ✓

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and equipment problems in OP which were deserving of more attention than they are getting, and we have suggested that the office acquire some expertise in these matters. Valuable skills in systems analysis have been developed among the OP representatives on the SIPS project. These OP careerists should be brought back and tasked by OP once SIPS is implemented. We noted the rather vague division of labor between the Plans and Review Staffs and forecast that time will bring them together again under one charter. Accordingly, we have recommended that all of these capabilities be consolidated into a Planning and Systems Staff reporting to the Director of Personnel.

11. Our survey found the Position Management and Compensation component understaffed and unable to meet its responsibilities in the fields of position description and periodic review of job structures. The review function, in particular, should be utilized in tandem with financial audit as a major management tool of the senior command of the Agency. We have urged that there be an early review of this operation and that appropriate steps be taken to bring it up to strength and optimum performance.

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INTRODUCTION

1. Personnel administration in the Agency is the responsibility of the Director of Central Intelligence. He alone is responsible for Agency personnel policy, and only he can order the involuntary separation of an employee. Agency employees have the right to appeal personnel rulings of the Director of Personnel and of operating officials, again involving the DCI.

2. Much of the authority with which the Director is vested in the conduct of personnel matters is, in fact, delegated

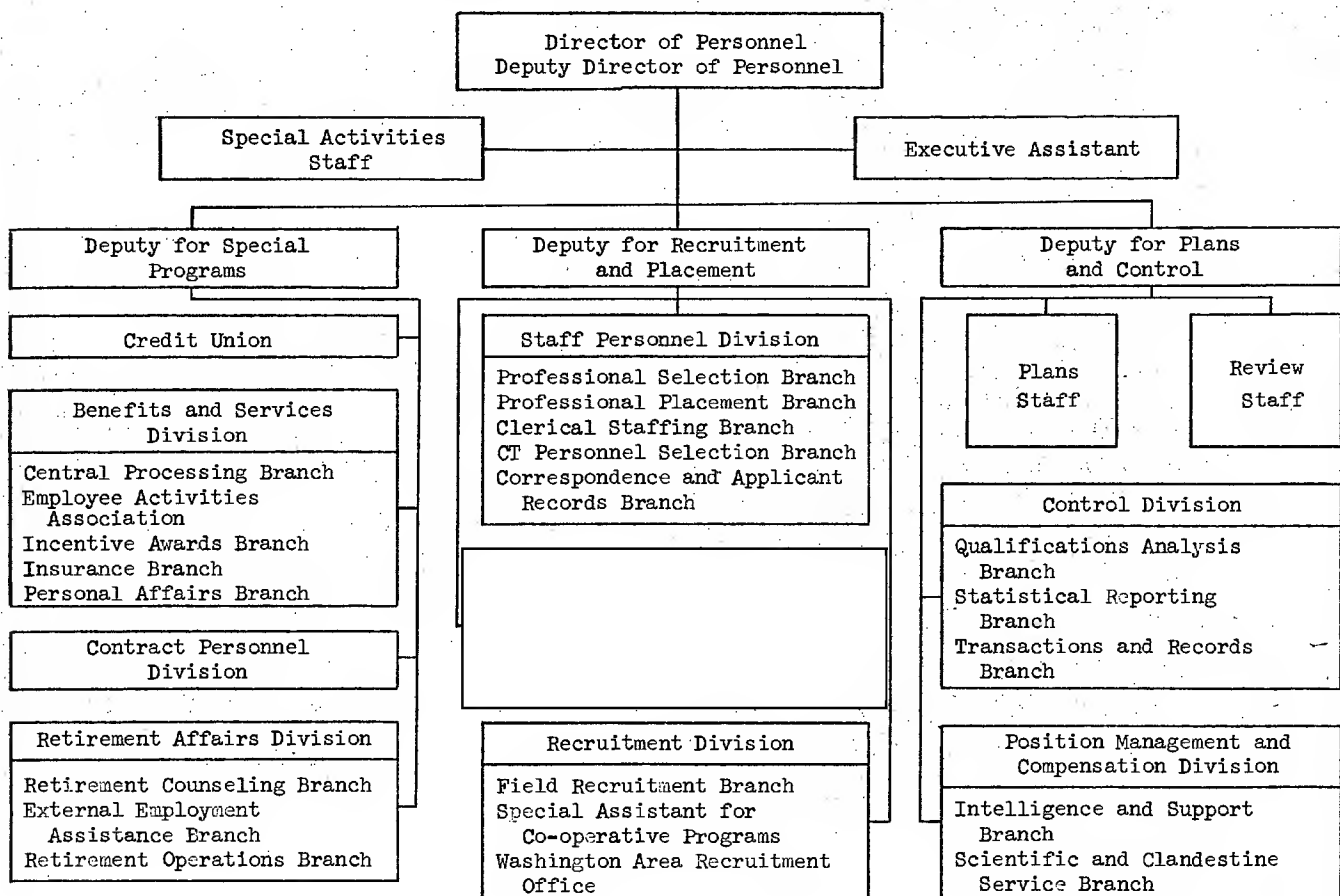
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The Director of Personnel is responsible for the formulation of Agency personnel management, goals, policies, and programs. He provides leadership in improving the effectiveness and flexibility of personnel management, assuring its consistency among the various Career Services of the Agency while giving due regard to their differing needs.

The Heads of Career Services are responsible for the application and functioning of the Agency personnel program as it applies to the members of their Career Services.

Supervisory Officials are largely responsible for the day to day functioning of the Agency's personnel program and provide the essential communications link with the individual employee.

3. It will be seen from the foregoing that the Director of Personnel is a staff officer in the truest sense of the term. He presents the "goals, policies, and programs" which he initiates to



Attachment 1

(OPM 1-14-18)

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the Deputy Directors at a meeting chaired by the Executive Director--
Comptroller. The more important of these are then carried to the
Director of Central Intelligence for final approval. The Director
of Personnel recommends action in all cases of involuntary separation.
In matters of hiring and admitting individuals to the CIA Retirement
and Disability System he has the final voice, subject to appeal to
the Director.

4. In addition to his staff work, the Director of Personnel
heads an office which performs many important support tasks, and a
career service which supplies personnel officers to every sizeable
component in the Agency. A chart of the organization of the Office
of Personnel is displayed on the facing page.

5. In this survey we review the activities of the Office of
Personnel and of the Personnel Career Service; we do not endeavor to
evaluate Agency personnel policies or to review the performance of
heads of career services and supervisory officials in implementing
these policies.

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OFFICE OF THE DIRECTOR OF PERSONNEL

1. At the beginning of the survey, the immediate Office of the Director of Personnel included the Director of Personnel, his deputy, an executive officer, an assistant executive officer, a special assistant to the Director of Personnel, a finance officer, a short-hand reporter, three secretaries, and an information control clerk. The Career Management Office, consisting of senior and junior career management officers and a secretary, also is located in the front office. As a result of the transfer of the then current Director of Personnel to the position of Assistant Deputy Director for Support, the position of executive officer became open. It is not the intent of the present Director of Personnel to fill it.

2. Much of the time of the front office is concerned with "special interest" correspondence. This may be defined as communication with applicants or employees who have contacts with Congressional or high ranking Executive Branch leaders. In some instances, an applicant may be treated as a special interest case solely because of the influential status of one of his neighbors. These cases receive detailed, expeditious handling at all front office levels within the Office of Personnel. Considerable time is devoted to drafting and proofreading of responses. In many instances, the functional responsibility for

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handling a communication belongs to one of the divisions, but the concern for potential repercussions of a tactless or improperly drafted letter is so great that multiple layers of supervision and checks have been established to prevent such a slip. The Special Assistant to the Director of Personnel, the Assistant Executive Officer, the Deputy Director of Personnel, and the Director of Personnel are all likely to review the same letter. This tends to dilute the sense of responsibility of the division without a corresponding reduction in workload. Indeed, the duplication involved in the review process increases the workload for this particular area of business. Perhaps equally effective control could be assured by two steps: (a) strictly defining the parameters of a "special interest" case and (b) giving more responsibility to the division for the finished product. ✓

Space

3. One of the most apparent problems confronting the Office of Personnel is space. There is a lack of space in those locations specifically designed for handling people-oriented activities of the office. Tab A illustrates the present area allocated to each of the major elements of the Office of Personnel. This pictures the quantity, and indicates a less than adequate allocation in some areas. It does not speak to the quality, which is drab and unsuitable to the function ✓

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in far too many cases.

4. Those spaces of the Office of Personnel which are utilized in meeting people and solving their personal problems universally lack privacy and are overpopulated and cheerless. The Retirement Division is located away from the main building in a site which is inconvenient and time-consuming to reach. The Special Assistant, who deals exclusively with adverse action separations, occupies space remote from most of the people of the Agency.

5. The Office of Medical Services also relates to the employee in important and confidential matters. Tab B illustrates for purposes of comparison the space allocation for Medical Services. We believe the figures speak for themselves. Consultation with Medical Services is routine and generally accepted by all. A great many of the instances in which the employee consults with the Office of Personnel, however, involve serious personal problems or a breakdown in communication and understanding between the individual and his Career Service. There is an underlying emotion in almost all such situations that should be dealt with in surroundings of calm and privacy.

Recommendation No. 1

That the Deputy Director for Support review the space priorities of the Support components and make such moves as are needed to provide adequate, suitable space to the Office of Personnel at the headquarters building. The aim should be to centralize those services concerned directly with people and their problems at the expense of those, including programs of the Office of Personnel, concerned with the manipulation of things. Particular emphasis should be placed on the accessibility and decor of the facilities provided.

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6. Lack of adequate janitorial and related support services in the Magazine Building proved to be the single most frequently cited source of irritation we encountered during our review of the space situation in the Rosslyn area. Most employees in the Rosslyn buildings had simply given up on the issue of parking space. We found no reason to doubt the assertions that were made to us by employees working in the Magazine Building that rest rooms are frequently out of supplies, floors go uncleaned for long periods, air conditioning filters are not replaced, and venetian blinds and walls are visibly filthy. The situation deserves the term disgraceful, and we agree that the staff is fully justified in their indignation. We discussed the situation with the Director of Logistics, who reported that the Agency and the General Services Administration had sought redress on many occasions without success. A new review of the situation was begun in March 1971, looking to possible relocation of Agency tenants from the Magazine Building.

Personnel Career Service

25X1 7. The Personnel (SP) Career Service has a population of about
25X1 [] members. [] are clerical, the remainder are
semi-professionals and professionals. Some [] are assigned to other
components of the Agency, ten are normally in training status, and
the remainder are in the central office. 25X1

Tab B

S E C R E T

OFFICE OF MEDICAL SERVICES
(Average Square Foot Per Person)

Office of the Director

Selection and Processing Division

SA - Process and Selection

Selection and Processing

Psychiatric Staff

Psychological Services

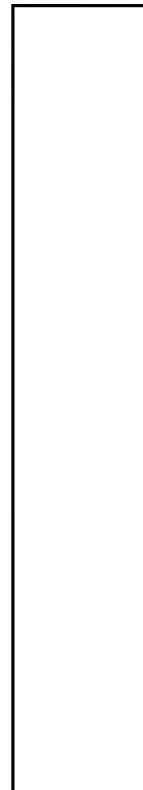
Reception Area

Field Support Staff

Support Division

Clinical Division

ALL SPACE



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Tab A

S E C R E T

OFFICE OF PERSONNEL
(Average Square Foot Per Person)

Office of the Director

SA-Placement Division

Recruitment and Placement/WARO

Recruitment Division

Personal Affairs Branch

Special Activities Staff

SA-Contract Personnel Division

Retirement Affairs Division

Retirement O.P.S. Branch

SA-Central Processing

Insurance Branch

Credit Union*

ALL SPACE

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*Excludes lobby area of 600 square feet.

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8. A small number of professionals served with CIA's predecessor organizations. During the early years of the Agency's existence this group was augmented by the recruitment of a considerable number of trained personnel officers from other federal agencies. Since that time the Personnel Career Service has accepted a number of experienced officers from other components of the Agency and has done a modest amount of professional recruitment. The lower professional grades include a substantial number of officers who were originally recruited as clerks and who have moved up the grade ladder by displaying initiative, intelligence, and natural energy.

25X1

9. professionals hold baccalaureate degrees, and 34, masters degrees. Key positions in the service are occupied by experienced, energetic, and intelligent officers. An ambitious young officer entering the SP Career Service has a chance to move up into a position of responsibility and may even aspire to promotion to supergrade if he reaches one of the five senior positions in the service. Although headroom is limited at the top of the SP Career Service, possibilities for advancement exist elsewhere in the Support Directorate.

10. The Director of Personnel has made a detailed study of his service in which age, grade, and rate of advance are brought to the fore. It was found that 72 percent of all professionals above GS-10

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are over 40 years of age; 42 percent of this same group are over 50. Half of the personnel in grades 6 to 10 are over 40; only one officer under age 40 has attained grade 13. These figures indicate that there will be a considerable turnover in Personnel during the next two decades. Personnel's hiring, training, and assignment policies will be put to the test.

11. Assignments and promotions are handled through an established Career Service panel. Senior officers of the service initiate many of these actions. The ably led Career Management Staff functions as secretariat to the panel and provides an important link between top management and the average employee. The Senior Career Management Officer has placed emphasis upon the introduction of new blood into the Office of Personnel at the professional level. He has actively recruited Career Trainees into the service, and has concerned himself with their training and development. He encourages rotation for training purposes. The Career Management Staff enjoys a good reputation throughout the service because of its open-door policy and because of its willingness to discuss employment matters in an honest and frank way. This office plays an important role in the handling of clerical assignments.

12. We were struck by the lack of clarity that exists in the minds of many concerning the distinctions which must necessarily be

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drawn between the work of the clerk, the technician, and the professional. These three categories of jobs are not sharply delineated, and there are no set standards for transition from one to the other. Ad hoc decisions concerning promotions and assignment have tended to erode such standards as have been established in the past. We believe this situation can be corrected by establishing standards for different types of SP careers.

Recommendation No. 2

That the SP Career Service be divided into three categories: clerical, technical, and professional. It is further recommended that the SP Career Panel specify qualifications to be presented by individuals in order to enter these career services. It is also recommended that SP career jobs then be keyed to the appropriate career services in order to assure consistent career management practice within each of the three broad categories of employees

* * * * *

13. In the last three years the Office of Personnel has initiated a regular program of sponsoring personnel in academic training programs on both a full- and part-time basis. This commitment to the development of a sophisticated service has raised the morale of the younger employees. It is also developing a nucleus of younger personnel officers who themselves have some type of commitment to the office and who feel that they exert some influence on the choice of goals

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of the office. So far, however, OP has tended to sponsor this training on a relatively haphazard basis. The office has established guidelines for the length of sponsored training. It has not established requirements for the type of training.

14. Without guidelines relative to the academic disciplines to be pursued, the office runs the danger of being short-changed. There are branches of knowledge which affect personnel management which may be slighted. These could include such areas as advanced clinical psychology, the behavioral sciences, including the dynamics of group interaction, and the acquisition of operational research tools. Human nature being what it is, the student may pursue the "soft" subjects rather than hard disciplines, if there is not some authority exerted by the office.

Recommendation No. 3

That the Director of Personnel establish, as part of his career management program, a plan which would identify the academic skills needed to provide a balanced staff and that he require SP careerists undergoing training to take those courses that are most needed by the office as well as those that are of particular interest to the individual.

15. The upper end of the training spectrum has demonstrated a dynamic growth. The lower end of the spectrum has, in our opinion, been somewhat neglected. We find that the basic training, the acquisition of skills and techniques, has been unevenly applied to the new

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members of the SP Career Service. In our interviews, the young officers frequently expressed concern over their lack of preparation for new assignments. Jobs were frequently described as "sink or swim." Individuals who have transferred between major components have expressed bewilderment and some resentment because the knowledge gained on the first job did not transfer to the second. Such individuals felt that they were disappointing the component to which assigned and were serving as poor representatives of the Office of Personnel. ✓

16. At one time, the Office of Personnel pursued an informal, internal training program which was called "Curie College." This was a learning situation conducted both during and after working hours which deliberately sought to acquaint the junior officer with the skills and techniques which underlie the manipulation of personnel within this Agency. This program has been long since discontinued. Something similar seems to be needed. The office does conduct orientation programs for new employees. These are haphazardly applied but are better than nothing. It is our feeling that a more ambitious program would be very valuable.

Recommendation No. 4

That the Director of Personnel initiate an internal Office of Personnel training program for new careerists, designed to give such careerists a knowledge of the fundamental skills and of the Office of Personnel.

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17. We have urged at various points in this report that the senior specialists in contracting, insurance, retirement, and the handling of adverse action cases, for example, conduct seminars for personnel officers to develop and maintain their competence in the important functions of their profession. The goals for training new and established career officers are complementary, and the programs should be coordinated.

Special Activities Staff

X1 [REDACTED]

CIA against the departing employee. All of this latter category were handled by the Special Activities Staff (SAS). It is indicative of the maturity of the adverse action system that all but one of these cases ended in resignation or retirement in lieu of termination by the Director.

X1 19. The SAS was established in 1957 to regularize the handling of this most difficult and sensitive sector of personnel management. It operates with [REDACTED] including the chief and his deputy, a third officer who concentrates on clerical and applicant cases, and a stenotypist who records formal hearings and handles a miscellany of screening actions on employees being considered for external training,

*This figure does not include those recent employees separated for security or medical reasons.

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awards, and career status. There are two secretaries who share the maintenance of extensive case records.

20. The chief and deputy chief have headed the SAS from its inception and have accumulated an impressive "feel" for the do's and don't's of managing adverse action cases. SAS is of course a staff arm of the Director of Personnel, and in this sensitive area the senior command of the Agency is also frequently involved. The Chief of SAS considers that line supervisors today show considerable improvement in their handling of difficult personnel cases. Certainly, SAS itself through the years has greatly improved its information sources and has become far more effective and useful in counselling on case procedure. SAS considers, however, that delay on the part of operating components in surfacing personnel problems to the Office of Personnel continues to be a major source of difficulty in the management of adverse action cases.

21. The importance of prompt and effective resolution of suitability cases has given rise to three panel or board mechanisms designed to assure coordination of effort between the Offices of Personnel, Security, and Medical Services. The Special Activities Staff represents Personnel on all three.

22. The first of these, the Applicant Review Panel, deals with questions of suitability raised during clearance and EOD processing.

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During FY-1970 the panel reviewed 672 cases and recommended disqualification of 278 applicants.

23. The second of the mechanisms is the Overseas Candidate Review Panel. Operating components are required to declare their nominees for overseas assignment thirty days in advance of departure. Security, Medical Services, and Personnel check their records for indications of suitability risk and meet to deliberate on borderline cases. One thousand eight hundred and twelve candidate records were processed in FY-1970, of which 61 received panel evaluation. Seven of these ended in disapproval or deferment.

24. We checked the record of premature termination of overseas assignment in order to form an opinion on the effectiveness of the overseas candidate review mechanism. We found that premature returns occurred at a rate of about 100 per year in FY-1970 and that about one third of these were due to unsuitability. The 1964 inspection of the Office of Personnel recommended that a post mortem be prepared on each such case with particular emphasis on the evaluation of the performance of the supervisors involved. The recommendation was accepted and implemented, but we found that the number of post mortems prepared in FY-1970 was down in volume to the point of disappearance. SAS pointed out with considerable justice that the documentation in each case tended to be incomplete and suspect and that supervisors

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were extremely sensitive to criticism of their handling of delicate situations by someone not on the spot. We accede to this view of the situation.

25. The third of the mechanisms is the CIA Personnel Evaluation Board. It is composed of the heads of the three DDS offices noted above together with appropriate Directorate and Office representatives and is invoked to deal with precedent setting issues in adverse action situations. It handled 17 cases during FY-1970. Ten of the cases were concluded by resignation or retirement. The balance were resolved at least temporarily by warnings, reassignment, or other corrective action.

26. The inspection team reviewed a number of case files in SAS seeking to form a judgment on the fundamental fairness of the entire system. We were concerned about the employee's means of defending his rights and interests during the processing of his case. We wished to determine whether the young and immature employee is seriously disadvantaged in comparison with the older, better educated employee. We looked for evidence on the matter of giving employees a second chance and a fresh start in breakdown situations.

27. Our eventual answer to these questions is that the Agency must look to the using component to weigh such matters of equity and to provide the employee with a decent chance to prove himself. By

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the time the case has reached SAS the issue is plainly one of resolving the breakdown in the relationship between the employee and the Agency as expeditiously as possible. At the adverse action stage the SAS objective is less a matter of assigning responsibility than one of closing out the case promptly and with a minimum of confrontation, bitterness, and publicity. We judged that the performance of SAS had been so successful in these regards that there were no grounds for advocating major change in the system and procedures.

28. Having reached this general conclusion, we hasten to add that CIA can still do a great deal to improve its performance in handling employee suitability problems and that SAS shares the responsibility for achieving improvement. First of all we would like to see the Psychological Services Staff/OMS do more follow-up studies of suitability cases. After all, 141 adverse action cases in FY-1970 represented 7.5 percent of all separations. There are obviously many more cases in the pipeline for everyone that has moved into the terminal stage. All of these employees had some EOD personality testing and evaluation. Improvement in the predictive value of initial testing would obviously pay rich dividends in reducing processing and management costs.

29. We advocate in this connection as well as elsewhere in this report that the Director of Personnel pursue a more aggressive

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course in counselling employees. He should train his career personnel officers assigned to operating components to be more sensitive to employee career planning problems. We detected on various occasions that personnel officers in the operating components were supine in their approach to employee career interests and to the problems of individuals facing possible adverse action on the part of Special Activities Staff. The employee who has become desperate about his inability to change his situation and who needs an independent review of his problems should be able to take his case to Personnel. The employee counselling provided today by the Personal Affairs Branch of the Office of Personnel is concentrated almost exclusively on such matters as loan payments and misconduct. Prime responsibility for effective handling of each employee rests with the immediate supervisor, but there must also be backup mechanisms. In the CIA personnel system these seem to be either nonexistent or extremely vague in their delineation.

30. We would like to see the Special Activities Staff, with the collaboration of the Office of Medical Services when appropriate, communicate its experience and advice to supervisors and personnel officers concerning frequently occurring categories of personnel problems. We have in mind alcoholism, poor performance related to lack of motivation or immaturity, and how to recognize physical and mental health problems that invite the assistance of the medical staff.

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DEPUTY FOR RECRUITMENT AND PLACEMENT

1. This deputy presides over the one unambiguous, logically constructed component of the Office of Personnel. There are no surprises and no special arrangements. Recruitment and placement are the component's only functions.

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3. The deputy is deeply involved in amassing and analyzing summary manpower data in support of his front office and of O/PPB and top management levels in the Agency.

Recruitment Division

4. The Recruitment Division (RD), one of the three divisions under the Deputy for Recruitment and Placement, consists of three branches: Field Recruitment, Washington Area Recruitment, and Co-

and cooperative programs - 1. This is the T/O that the division

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must meet by 30 June 1971. A reduction in the field recruiters from 18 to 12 currently underway will accomplish the cutback.

5. The division has had a complete turnover of top management during the past 18 months. The new division chief (field experienced) and the new deputy chief (headquarters and field experienced) are a well balanced management team. They are keenly aware of the role the recruitment function plays in the Office of Personnel and in the Agency. Success is measured by the proper flow (numbers) and mix (types) of applicants to meet requirements. During periods of Agency expansion, wholesale recruitment served the requirements fairly well. A different situation exists at present. Reduced ceilings, a sluggish labor market, and confrontation problems on campuses have altered the basic approach to recruitment.

Field Recruiting

6. The field recruiters are dedicated employees, and they are enthusiastic about their jobs. The majority of them have put deep roots into the regions which they service. Historically, the recruiter has been treated as a separate breed. The job has been non-rotational. The individual recruiter has come to look upon his area with a feeling of possession. A separate "career service" for recruiters was established in recognition of this.

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7. The field recruiting apparatus achieved its present form in the early 50's and has continued to operate in about the same way that it did when first established. However, during recent years Agency requirements have changed, and a number of innovations have been made in recruiting which tend to bypass the field apparatus. In the early days of the JOT program it was believed that this program would supply the majority of the Agency's needs for professional people, certainly for the type of professional that is sufficiently broad gauged to be able to move up into senior positions of management. In recent years it has been our experience that many of the best professionals recruited directly by DD/S&T, DDI, and even to some degree DDP, although specialized academically, are endowed with a potential to grow and to broaden. This experience has led to increasing emphasis on specialized recruiting and a larger role of the substantive offices in this activity.

8. The Office of Personnel has recognized the lessened demand for recruits and is now reducing its staff for recruitment of professionals from 18 to 12. This is good management. A growing majority of our candidates are exercising the initiative and applying to us either by direct correspondence or personal visits to the Washington area recruiting office. The field recruiter is providing a valuable but lessening percentage of the whole. Indeed, in some regions, the activities of the field recruiter are essentially public relations in nature. He is

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showing the flag in a discreet, unobtrusive manner.

9. A serious question for ultimate resolution by the Director of Personnel is the continuation of the present pattern of regional field recruiters. The Agency policy of national representation does require the capability of recruiting from all areas of the country. However, the present low level of recruiting naturally raises the question whether all or at least part of such recruiting could be done more efficiently and less expensively by TDY from the Washington area.

10. One possible solution which we find attractive under present conditions is a compromise between regional field recruiting offices and TDY. This approach would reduce the number of regions to four or five. The major objectives of these individuals would be to maintain contact with the universities and colleges of the region and to serve as an information point for potential applicants. During the "recruiting season," the in-place personnel would be supplemented by TDY personnel from the central office or from various components. The supplementary personnel would be selected on the basis of their age, general Agency knowledge, and ability to communicate.

11. The recruiters have for the most part been in place for long periods. Many have grown to middle age or older in their present jobs and in their present locations. Some have had no Agency experience

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except as recruiters. Their knowledge of the Agency as it is today and of the positions to be filled is necessarily superficial. A serious question could be asked as to the ability of these individuals to properly represent the Agency to the college youth of the 70's. We see little validity and some important penalties in the continuation of a separate existence for recruiters. We feel that such an important function should be closely integrated with the dynamics of the Agency.

Recommendation No. 5

That the Director of Personnel:

- a. Abolish the separate "career service" for recruiters, consistent with the career needs of those recruiters who are approaching retirement;
- b. View recruiting assignments as rotational rather than permanent in nature;
- c. Assign younger personnel who are in closer communication with the university population to the recruiting function on either a TDY or five-year cycle rotational basis;
- d. Conduct a study to determine the feasibility of conducting all recruiting on a TDY basis from headquarters; and
- e. Phase this program in such a way that it will minimize the hardships for those loyal and devoted recruiters who have spent their entire Agency lifetime in this occupation and who are now approaching retirement.

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12. The field offices are excellent from the standpoint of space and location. The recruiters are supported by contract secretaries, some of whom are part-time. The practice has arisen of fixing part-time working hours to the convenience of the secretary. Thus, some field recruitment offices have elected to do without secretarial coverage on selected days of the week. These uncovered days may coincide with a field trip by the recruiter. In such instances, the offices are completely uncovered, and the applicant who telephones receives a recorded announcement of this fact. If the field offices are worth having, they are worth manning.

Recommendation No. 6

That the secretarial hours in all field offices be established in such a fashion as to ensure an office presence every weekly workday.

Washington Area Recruitment

13. The Washington Area Recruitment Office (WARO) is the largest and the most diversified of the Agency's recruitment operations. The staff, consisting of three professionals and three clerical employees, is located on the ground floor of the Ames Building in Rosslyn. A recruiter responsible for field recruiting in Maryland, Virginia, and West Virginia shares the quarters and support arrangements but takes her direction from the Field Recruitment Branch.

14. This office handles a high proportion of applicants who take

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the initiative to seek out the Agency. Included among the daily interview load are students seeking employment advice, visitors from other parts of the country, cranks and curiosity seekers, and both professional and clerical applicants who are serious about obtaining employment with CIA.

15. The Washington office is staffed by a veteran crew that performs in the limelight with poise and efficiency. The possibility of disappointment and misunderstanding is always present in the contacts with applicants, but the office has an excellent record of avoiding or minimizing such reaction.

16. Part of the reason for the effectiveness of this office is the proximity of its staff to its customer offices and to its chain of command. Unlike the distant recruitment offices, this staff can pick up the phone and clarify a requirement or arrange a joint screening interview in an hour's time.

Co-operative Programs

17. The primary and ultimate objective of the co-op and summer intern programs is selective recruitment. Aimed at hard-to-find skills, the programs are restrictive in scope and are nurtured as special programs by the Office of Personnel.

18. The Special Assistant for Co-operative Programs is directly responsible to the Deputy for Recruitment and Placement. The present

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incumbent is a supergrade on assignment until retirement. At that time, it is planned to assign the position to the Recruitment Division and establish it at a lower grade level.

Summer Intern Program

19. The Summer Intern Program, originally started in MPIC and JAS in 1966, was expanded in 1967 to include other offices in the DDI. Emphasis was given to advanced students in China studies. Proving successful, the program was expanded in 1968 to include students in the Middle East, Soviet, and Southeast Asia study areas. During the past summer (1970) 30 students were selected from some 20 colleges and universities and assigned to eight different offices. Plans projected over the next five years call for maintaining this program at approximately the current level. The search for candidates for this program has been handled by the field recruiters.

20. The success of this program must be judged by the retention rate of the students as full-time employees, their desire to return for a second or third summer, and the impact they have on building the Agency's image on campus. Of the 30 summer interns on board in 1970, nine have accepted full-time employment and ten are planning to return in 1971 (six had not yet responded as of January 1971, three are unavailable, and two were rejected). This retention and returnee rate appears to be most encouraging. These students, mostly

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at the graduate level, relatively mature, and fully cleared, are afforded a unique opportunity to evaluate the real CIA. From "exit" interviews and returnees there is strong evidence that this program is enhancing the Agency's image on campus.

Cooperative Education Program

21. Like the Summer Intern Program, the co-op program's ultimate aim is selective recruitment. The Office of Communications first developed a small program in 1962. In the ensuing years, other offices joined the program until currently there are approximately 100 co-op students from 17 universities assigned to nine components in the Agency. A current effort is being made with the administrations of five Negro schools to increase the number of Negro co-op students. To date only two Negroes have been enlisted in the program. The current five-year projection calls for increasing the number of co-op students to approximately 150, and continued association with about 20 schools.

22. Recruitment of co-op students does not involve the field recruiters as does the Summer Intern Program. Arrangements having been made between the Agency and the participating schools, actual student recruitment is handled by the Special Assistant and members of the CIA component concerned. Campus visits are involved, but contact is directly with the college administration (frequently a

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dean) rather than the Placement Office. The problem of campus confrontation does not weigh heavily under these conditions.

23. Originally concentrated in the physical sciences, the program has been expanded to include business administration and accounting. Consideration is being given by DDS to experimentation with students with general arts and science backgrounds. As of late December 1970, the following components are involved in the Co-op Program:

<u>Component</u>	<u>Number</u>
OC	16
NPIC	23
OCS	6
TSD	19
FMSAC	22
OF	2
Audit	2
OSI	6

24. The spring of 1970 was the first test of how effectively the program was accomplishing its goal of retaining graduating students as full-time employees. Of the 22 who graduated, 13 (59 percent) accepted full-time jobs with the Agency. Nine will graduate in 1971, all will receive offers. It may be significant that those not accepting our offer for full-time employment did so for educational or military reasons, not because they were taking jobs with industry or other parts of the Government. The national average for co-op retention

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is 55 percent.

25. One hundred and fifty-two (152) students have been or are involved in the co-op program to date. Of these, nine have withdrawn, four have been asked to leave by the Agency, and twenty-two have accepted full-time employment after graduation (55 percent of those graduated). Women represent about 10 percent of the total.

26. We find the Cooperative Education and Summer Intern Programs sound in theory (objectives), well organized, carefully managed, and of reasonable size--current and projected. They are excellent vehicles for selective recruitment and very full assessment of candidates for professional employment. They probably play a very useful role in enhancing the Agency's image on the campus scene.

27. An important key to the success of these programs is the seriousness with which line management cooperates with the Office of Personnel. We find strong support for the programs in the offices concerned, particularly for the co-op program. Several consider it the sole or major source of recruitment. We found no evidence of make-work situations involving these students, they earned their keep, and management has been pleased with the high quality of the participants.

28. Prompt and full security clearances for students in these programs is an important ingredient. The Office of Security has

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cooperated fully with the Office of Personnel in this respect. We feel that it is important that this continues unabated.

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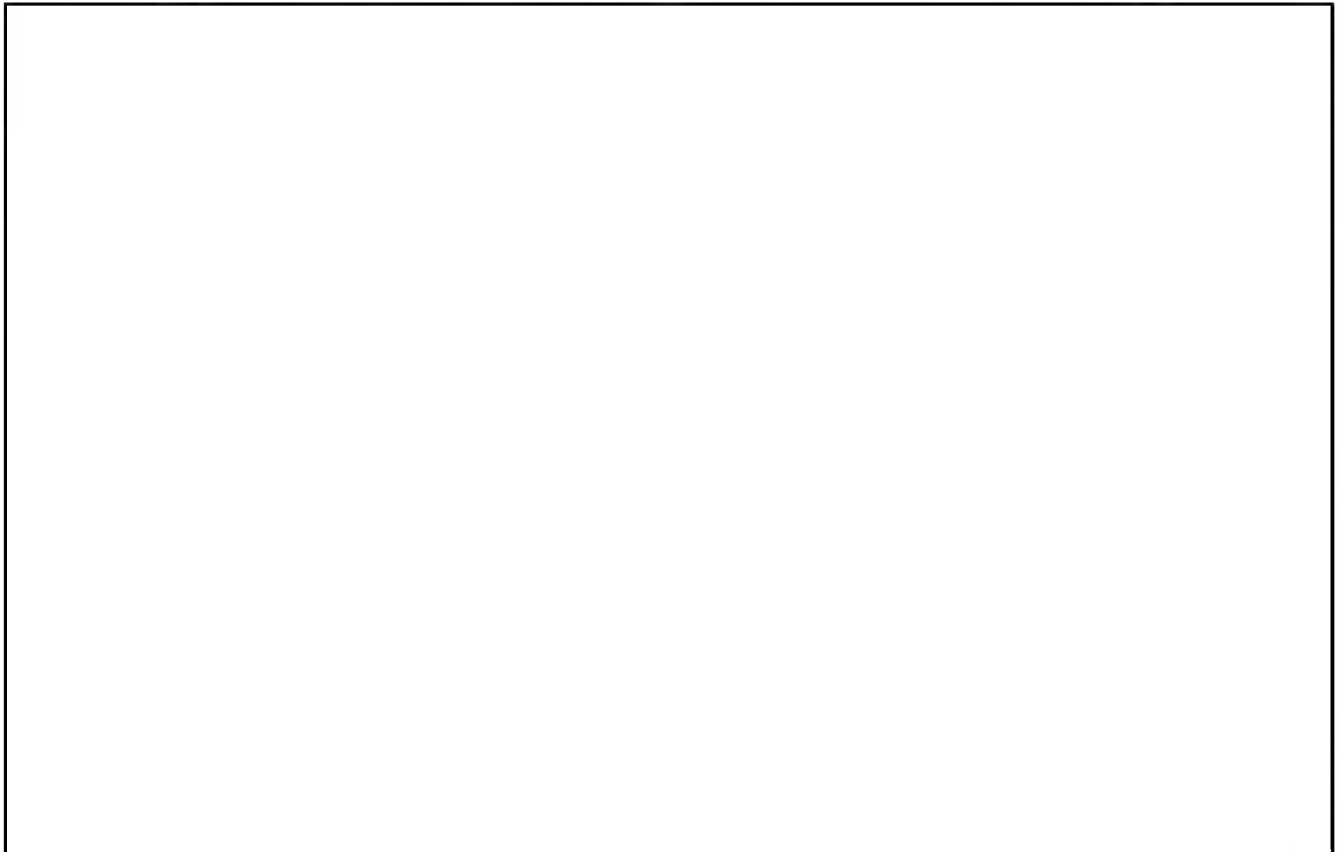
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Staff Personnel Division

33. The Staff Personnel Division consists of five branches: the Professional Selection Branch, the Professional Placement Branch, the Career Training Personnel Selection Branch, the Clerical Selection Branch and the Correspondence and Applicant Records Branch. The role of the division is to assist the operating component in the selection of applicants for employment, do the necessary processing of personnel to enter them on duty to the Agency, and to execute the necessary documentation relative to their initial assignment. During the interim between the filing of an application by the individual and his entrance

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on to duty, the Agency maintains contact with the applicant through either the Selection Branch or the Correspondence and Applicant Records Branch. In addition, the division monitors personnel actions subsequent to initial employment and performs the necessary authentication for the Director of Personnel on actions involving reassignments and promotions.

Selection Branch

34. The Selection Branch has three officers, including its chief. The branch performs three basic functions in processing applicants for professional employment in the Agency. It matches applicants' skills with known requirements of the various components, notifying the personnel officers of the components of the applicant files received and the skills of each candidate. The files are available for review by the interested components. The branch also operates a common access file of applicant folders which is known as the Skills Bank. This is available for reference by components for placement of personnel. Finally, the branch serves as a reference and processing point for applicants who have been selected for employment, also notifying unsuccessful applicants of the result of their application.

35. All professional files go first into the Skills Bank unless the applicant possesses a specialized skill, such as electrical engineering, which automatically limits the number of offices interested.

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In such cases, the files are sent directly to the potentially interested offices in order of their apparent need. After the file has been available in the bank for seven days, it is retrieved and sent to those offices indicating an interest, again in order of relative need. If no interest is indicated, the selection officer may judge that the skills and talents represented by the applicant should be of interest to a component which has not so indicated. In such instances, the selection officer will initiate direct negotiation with that component. A rejection letter is sent to the applicant only when there is no expression of interest forthcoming from either the Skills Bank or direct negotiations.

36. The selection process is essentially a brokering function. The selection officer must be aware on a continuing basis of the needs of the various offices of the Agency. The matching of skills with manpower requirements of the various positions involves considerable judgment on the part of the selection officer, in reading between the lines to ascertain the skill level of the applicant.

37. There are three selection officers, including the branch chief. As intimated in the preceding discussion, much of the activity of the individual officer is concerned with the physical review and forwarding of files. There should be more face-to-face relationship between the selection officers and their customers, the operating

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officials or the component personnel officers. It is easy for the selection officers to become overly concerned with the form and procedures of what they are doing rather than the substance. It is also easy for their knowledge of component needs to become superficial under such circumstances.

Recommendation No. 9

That the Selection Branch develop a program of scheduled visits to operating components.

38. The processing function consists of advising the applicant of his status, answering his questions, solving his problems, and making the necessary appointments to complete his processing. This is carried on by a group of females at the GS-7 level and is considered to be a semi-professional task. These individuals demonstrate concern, skill, and commitment; they are to be commended.

39. Oral communications with the components frequently develop additional information on the reasons for rejection or acceptance of an applicant. Such tidbits and fragments of information can be of great value to the field recruiter in assessing the potential employment of interviewees although, unfortunately, such feedback has been limited in the past. During the course of our survey, there has been a deliberate effort to improve both the quality and quantity of information to the field recruiter. The ultimate result of this

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effort should be to permit more selective recruiting. We encourage this effort and recommend its expansion on the grounds that the more pertinent information the recruiter has, the better will be his product.

Placement Branch

40. The Professional Placement Branch is the focal point within the Office of Personnel for the professional employee. The Selection Branch is concerned with the individual up until the actual moment of entrance on duty. At this point, he becomes the responsibility of the Placement Branch and remains under its cognizance throughout his career. Many employees have no recourse to the services of this branch. Others do have considerable referral to the branch.

41. The branch consists of a branch chief and three placement officers, all at the GS-13 level. Each of these individuals is responsible for one Agency directorate. Their duties include counselling, arranging transfers, monitoring the career service grade averages, and authenticating all personnel actions initiated by the components. In addition, during the course of this survey, responsibility for conduct of the pre-exit interview was transferred from Personal Affairs Branch of Benefits and Services Division to this branch. The branch also conducts follow-up interviews on new employees on the occasion of their initial fitness report. Thus, the placement

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officers are in a good position to keep their fingers on the pulse of the Agency professional employees. They can perform a valuable service to top management from this vantage point in terms of recognizing trends, attitudes, and incipient problems.

42. One of the principal purposes of follow-up interviews is to identify employee attitudes toward the Agency. An interview late in the first year is certainly useful in identifying those individuals who are either fully satisfied with their position or who are completely dissatisfied. We believe it is of less value in determining more subtle aspects of the individual's relationship to the Agency, because of limited employee exposure during the first year to many aspects of Agency life. An interview program at the end of the third year of employment would, we think, develop additional and deeper insights into employee adjustment patterns complementary to those obtainable from the present program. We suggest that the Director of Personnel investigate such an augmented interview program on a sample basis.

43. As with the selection officers, there has been a marked tendency for the placement officer to let the business come to him. While they have not been as passive as the selection officers, greater face-to-face contact with the components being serviced would be valuable. Likewise, these professional placement officers are not in a position to devote as much time to the individual as we think is desirable.

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25X1 There are two impediments to the full exploitation of these interviews: one is manpower and the other workload. There are only three placement officers actively engaged in supporting the four directorates. This means responsibility for [] professional employees per placement officer. This ratio does not permit the careful and thorough attention that the function deserves. In addition, the task of authenticating all personnel actions consumes about one third of each officer's work-year.

Career Training Personnel Selection Branch

44. This two-man outpost of the Office of Personnel works closely with the CT Program Staff in OTR. It is responsible for procedural aspects of initial selection prior to EOD and for maintenance of personnel records of CTs during training. The Program Staff, on the other hand, is charged with responsibility for final selection and career management of the trainee in the true sense of the word. It is staffed with veteran officers from the directorates who occupy OTR slots on two-year assignments.

45. With the cutback of the CT Program in February of 1971 to two classes of 25 each per year, both of these support units have begun adjusting to reduced workload.

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Clerical Staffing

46. The Agency's system for processing and placing incoming clerical employees is being managed by recently appointed officers at branch as well as division level. Under the stimulus of their fresh viewpoints all aspects of the system are being thoroughly re-examined. The presence of a veteran staff combined with the new leadership augurs well for this program for the next few years. The benefits of change are already visible at many points and constitute strong endorsement for extension of the practices of (1) exposing rising managers to a broad mix of personnel operations, and (2) making frequent enough changes in command in each component to reduce the effects of habit and loss of innovative spirit.

47. The Clerical Assignment Branch has a T/O of 11 and is budgeted for an average employment (AE) in FY-1971 incoming clerical employees in its Section . This arrangement has given rise over the years to a variety of staffing accommodations ranging from the assignment to this section of experienced Agency secretaries who are then placed on detached duty at the White House and National Security Council--currently nine in number--to the augmentation of the section staff ostensibly to cope with peak workload but sometimes stretching out into quasi-permanent assignments. The latter seemed to us to be disadvantageous to new employees who

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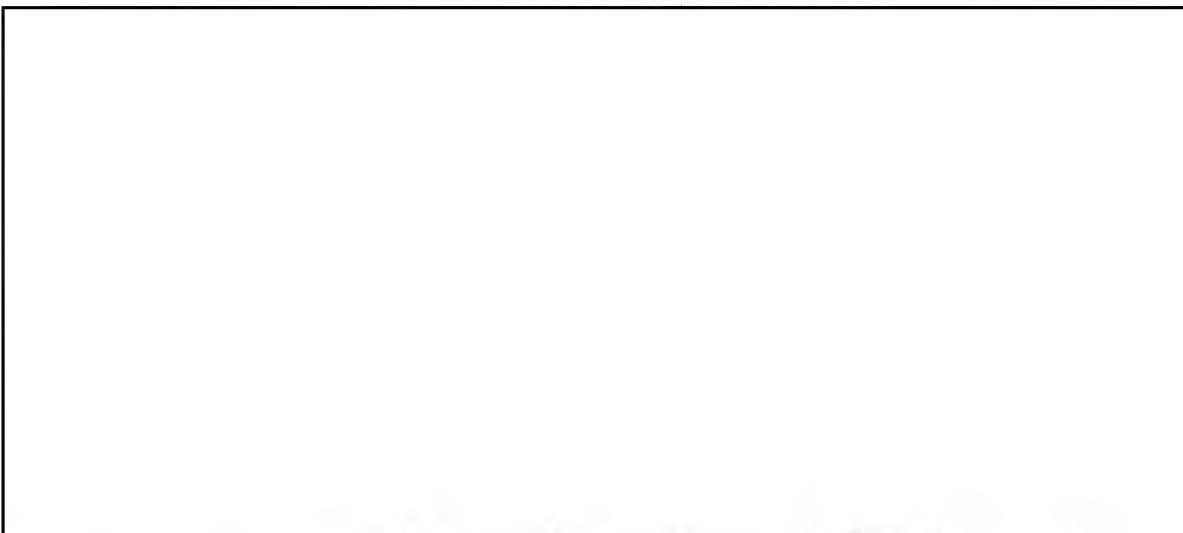
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thereby miss out on the opportunities for growth and advancement that accompany jobs in the operating components. We urge that these assignments be short term in pattern.

48. CIA in FY-1970 received application forms from approximately 3,000 clerical candidates. The following statistics give the picture of a fairly representative set of results. The Clerical Assignment Branch rejected nearly 800 of these on the strength of the paper evidence alone and initiated full field security investigations on the balance of 2,200. The findings from field investigations plus loss of interest on the part of applicants eliminated these candidates



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X1 through [redacted], which total combined with disqualifications during field security clearance further illustrates the gamut of uncertainties encountered in finding and acquiring acceptable new clericals.

49. The machinery that has been developed to perform clerical

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staffing in CIA is elaborate and costly, and its functions and management control are rather widely decentralized among four major components of the DDS--Security, Medical Services, Training, and the Office of Personnel. The problems associated with clerical procurement appeared to us to fall among the more intractable in the field of Agency personnel management. Virtually every problem we encountered here had been debated repeatedly through the years, yet was giving the Agency trouble and proving resistant to solution at the present time. These problems concerned recruiting and selection, clearance procedures, testing, housing for new arrivals, skills deficiencies, disqualification rates among provisionally cleared employees, idleness and boredom in ☐, interior decoration of work areas, and high attrition rates among clerical employees.

Recruitment of Clericals

50. The recruitment effort starts with Agency participation in a particularly disorderly labor market. A majority of clerical candidates are under 20 years of age and are entering the market for the first time. The availability of candidates shows some but not a dominant seasonal pattern tied to graduation dates from high schools and other training organizations. Typing and shorthand skills are usually untried, often rusty, and many times deficient for lack of aptitude. Skills testing performed in the field under other than

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51. The experienced recruiter can detect a wide variety of disqualifying conditions among clerical candidates, but he is also, we are sure, made more tolerant in his appraisals of applicants and reassured by the knowledge that intensive security and medical investigations plus careful skills testing will follow his recommendation that processing of an applicant be initiated. There are other factors disposing him towards tolerance. One of the most important is the state of the market. If the large corporations and the medical and legal professions, for example, are hiring clerks at age 17, then the Agency must do likewise or suffer the consequences. Another ingredient is the understandable desire of the recruiter to maintain and improve his recruitment score. A third consideration, and one in which we were particularly interested, was a lack of "feel" in the recruiter for current headquarters operating needs. This sense of reality about clerical matters should derive in part from a recruiter's personal work experience at headquarters, and we have indicated elsewhere that we think that the current generation of recruiters outside the Washington area is distinctly short on such headquarters conditioning. We also believe that recruiters should be provided fuller information on disqualification and attrition patterns among clerical recruits. The Clerical Assignment Branch and the Applicant Review

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Panel acquire a large volume of extremely significant information about applicants and clerical employees who fail in Agency jobs, but by and large very little of this gets to the recruiter beyond summary information on cancellations among his own applicants. We think that more analysis and communication of findings on this subject would be well worth the investment. After all, we are disqualifying one half of the applicants we process, and the cost of full processing is estimated to fall very roughly in the range of \$4,000 per applicant.

52. We talked to many people about further measures that might be applied to reduce the Agency's disqualification and attrition rates. We identified several practices that we would like to see applied. The first is increased use of the pre-employment medical examination. We think that the Agency should contract for examination services in key cities and pay the expenses of applicant travel to such examination points. This would entail some increase in operating expenses, but there would be many compensations. There are severe psychic costs to the individual applicant when, due to medical problems during the post-EOD examination, he or she is held in the pool for four months or more without explanation and long after most EOD companions have been assigned. Secondly, we believe that clerical recruitment should be concentrated on the East Coast and that it should be performed by recruiters on TDY trips from headquarters. The excellent record of

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the Washington Area Recruitment Office located in Rosslyn suggests that there is a sharp gain in discrimination with increased awareness and 'feel' for headquarters problems. We think the system ought to pay more attention to the applicant's high school performance record. Because of the inherent limitations in all such indicators, we would experiment and sample here rather than aiming at full coverage of transcripts. Certainly high school transcripts should be requested in all cases of reasonable doubt. The correlation between high school record and successful clerical performance is little understood at the present time, and we ought to determine what it is and how we might be guided by it. 1

Processing Problems

53. The CAB management now aims to process clerical employees through the system in six weeks or less in contrast to the 1970 average of approximately ten weeks. Individuals who EOD with full security clearance, pre-employment medical examination, and acceptable typing scores, will often clear the system in three weeks. Candidates brought into ☐ on provisional clearances are at the mercy of many variables and may well spend three or four months in processing. 1

54. We found that field security investigations continue to be very time consuming, but we made no detailed investigation of the reasons behind the present situation. In a large sample of 1970

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processing experience we found that 281 or just over 40 percent of 693 clerical applicants put in process between 1 January and 31 August 1970 required more than 120 days of security processing.

55. In the case of medical processing we found that OMS has traditionally insisted on performing physical examinations at headquarters. Given this policy and the maintenance of only enough doctors on contract to perform 24 examinations per day, it developed that EOD rates for clerical employees, professionals, and employees processing for overseas were regularly overloading the system during peak periods and delaying many clerical physical examinations until the third week of processing. It appeared to us that only a minority of these delayed cases could hope to clear the system in six weeks. We have already commented that pre-employment medical examinations would reduce workload on the entire clearance system, and it is evident that such a policy would shorten processing time through ☐. To the extent that pre-employment physicals prove infeasible, we recommend that OMS build up its roster of contract physicians to guarantee first week examinations for EOD clericals.

Housing of Clerical Employees

56. The clerical employee in need of housing accommodations is referred by the Clerical Assignment Branch to the men's and women's dormitories ☐ in northwest Washington,

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D.C. Transient rates are \$90 per month and \$6.50 per day for shorter periods. The employee, particularly if under 21 years of age, is caught in a web of uncertainties that tie him [redacted] against his will, and we found virtually unanimous and often intense dislike of these facilities among the present and former residents to whom we talked. If the individual's clearance is slow in coming through he is in no position to commit himself to the leasing of an apartment for fear of disqualification. Most apartment managements will not lease to groups of employees that do not include one legal adult. All of the clerical employees we interviewed were emphatic that an employee cannot live alone in Washington, D. C., in the present period on a GS-4 salary. Under these constraints the individual must almost inevitably react with rising irritation [redacted] for real or fancied poor services, noise, drab surroundings, and cockroaches. We think that the Office of Personnel should show increased concern for its clerical employees [redacted] by investigating complaints and interceding when the facts warrant [redacted] ment. We could find no alternative solution to this housing problem that did not seem to promise even more undesirable complications. Earlier Agency experience with clerical housing has proved beyond a doubt that segregation of the sexes is essential. This is the principal advantage of the present arrangement. Some Agency personnel

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over the years have advocated Agency owned and managed transient housing, but cover problems among others have thus far ruled it out.

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seems to be the best solution available at the present time. Its unsatisfactory aspects could be even further minimized by shortened EOD processing time.

Work Patterns in

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57. After the third or fourth week in processing, the clerical candidate will have completed all scheduled activities and must now settle in to a study and work routine while awaiting security and medical findings. If the employee has failed to pass typing or shorthand tests, he or she will spend a major portion of each day practicing for retesting. Allowing liberal amounts of time for these purposes, for recreation, reading, and socializing, there is still a substantial problem with boredom and restlessness. During one week in September we noted that 100 people available for work assignments logged 544 hours of project work and classroom activities. This left something over 3,000 hours of the work week for practice of skills and unscheduled activities. We would like to see the Office of Personnel canvas all components of the Agency at least once annually for unclassified work to be performed at the We suspect that parties of selected clericals could be made available for escorted work assignments at Langley, e.g., in CIA Library, without undue risk.

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58. We suggest that Staff Personnel Division enlist the assistance of appropriate individuals in OTR and in CRS (graphics, library) to plan and introduce additional training and recreation facilities. Language laboratory equipment, a program of films, current books and periodicals are obvious candidates for improving the present situation.

X1 Section Facilities

59. Space in the Ames Building devoted to clerical processing activities is generally adequate. It is utilized to capacity in the peak periods of spring and fall. We did find the facilities painfully functional and drab. This combined with lengthy clearance times, lack of interesting work, and the accommodation problems led us to the conclusion that the Agency ought to make a greater effort to create a favorable initial impression of itself among so large and so young a segment of its employees. We strongly recommend that the Office of Personnel secure the services of an interior decorator consultant and spend a modest sum in improving the appearance and appeal of .

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X1 Placement and Utilization of Clerical Employees

60. Some personnel officers with whom we talked argued for the right to interview and reject new clerical employees. We feel certain that the practice would prove totally impractical. The Clerical Assignment Branch should continue to assign employees on the basis of guideline

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requirements from operating components concerning the personalities, appearances, and skills required in particular assignments. There were enough complaints, however, from personnel officers and from experienced senior clerical employees with whom we talked concerning ineptitude and poor motivation in clerical employees to suggest to us that vigorous new efforts are needed to reduce these problems. 1

61. OP resources have not permitted follow-up interviewing of clerical employees toward the end of their apprenticeships in Agency jobs. Staff Personnel Division plans to inaugurate such an interviewing program in the near future, and this should yield many benefits including sharpening up the assignment process. 1

62. We think that underemployment of clerical employees could be more explicitly identified and reduced through more comprehensive job auditing by OP's Management and Compensation Division. We have recommended such a program in our discussion of that component. 1

63. A measure that deserves serious consideration at this stage of the Agency's experience is an Agency-wide clerical career service. We would concentrate on developing its capabilities in placement, reassignment, and counselling of employees, and we judge from many favorable comments on the performance of the clerical panel in OPSER/DDP that the basis for such a career service already exists. We would institute a clerical vacancy notice system throughout the Agency and 1

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promise that under normal circumstances vacant clerical jobs would be advertised together with a statement of required qualifications, and that all Agency clerical employees would be guaranteed the right to apply except in certain situations such as short tenure, very brief job experience, or saturation of applicants for popular jobs. The need for such ventilation of the internal Agency clerical job market was brought home to us in many clerical interviews. We talked to typists and secretaries who were bitter about being trapped in their present assignments and who felt unable or afraid to take any meaningful action for change. We talked to others who had recently changed jobs but only because they had learned of the opportunities through grapevine channels. Almost without exception these people endorsed the idea of vacancy notices (already employed in some components of CIA) while being realistic about their limitations. The posting of vacancy notices at appropriate locations in support offices and in the Office of Personnel would also afford logical opportunity to offer counselling services. Any employee interested in discussing his career aspirations and problems should be assured an interview with an experienced and disinterested representative of the Office of Personnel.

64. An Agency-wide service would also provide using components with a wider selection of candidates for open positions. There is

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ample evidence upon which to build a case against the degree of compartmentation that now obtains. A high percentage of secretaries throughout the Agency, including the CS, are married and cannot serve overseas. Others are prevented from doing so because of poor health or because they are tired of such service. As a consequence, many important overseas positions are filled by assigning inexperienced young ladies, recently hired.

65. In summary, the prime objectives here are:

- a. to provide clerical employees with straightforward complete information on job opportunities,
- b. to give each clerical employee the knowledge and confidence that she can exercise personal initiative without penalty, and privately if she chooses, to investigate job opportunities and to pursue changes in career interest.
- c. to provide the best qualified person to the using component.

Management of the Agency's Clerical Processing Program

66. We expressed our appreciation at the beginning of this section for the style of management now visible in the Staff Personnel Division of the Office of Personnel. While noting the wide dispersion of clerical processing functions and control in the four DDS offices concerned, the

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additional measures we have recommended add up not to a realignment and concentration of authority but rather to increased emphasis on communication, feedback, and stronger leadership on the part of the Office of Personnel. Staff Personnel Division must set the pace and raise any and all issues with the other DDS components that promise faster processing and more considerate treatment of clerical employees entering on duty. A clerical management council may be needed or at least the formation of interoffice task forces from time to time to review the functioning of the system and make recommendations for its further improvement.

Recommendation No. 10

That the Director of Medical Services adopt a policy of pre-EOD medical examinations for clerical applicants.

Recommendation No. 11

That the Director of Personnel:

- a. Concentrate his efforts in recruitment of clerical employees on the East Coast and rely to the maximum extent possible on use of recruiters on TDY trips from headquarters;
- b. Sample high school transcript records of clerical applicants on a sufficiently large and continuing basis to determine their utility in forecasting acceptability of clerical applicants;
- c. Canvas all components of the Agency annually for unclassified work to be performed by clerical applicants in process at

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8. Seek professional advice in planning and implementing improvement in the decor of the

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Recommendation No. 12

That the Director of Central Intelligence concentrate under his Director of Personnel responsibility for career management of clerical employees, including secretaries, typists, and file clerks; encompassing assignment, promotion, and counselling of individual employees; employing regular advertisement of job vacancies and the qualifications required of applicants who desire to fill them, and including responsibility to oversee, to counsel, and to assist clerical employees in obtaining training and in applying for professional assignments.

Correspondence and Applicant Records Branch, SPD

67. The Correspondence and Applicant Records Branch (CRB) of the Staff Personnel Division (SPD) provides the routine, but highly necessary, day-to-day support to applicant processing operations. Staffed and supervised entirely by women, the CRB has a T/O of 13 at the present time. The primary functions of the branch are: (1) ensuring appropriate action on incoming applicant letters, (2) preparing the proper correspondence, and (3) establishing appropriate applicant files. In performing their assigned responsibilities, the branch works closely with the Recruitment Division and the Professional Selection and Clerical Staffing branches of the Staff Personnel Division. The activity involves the preparation of more than 30,000 letters per year, of which approximately 20 percent require special handling; that

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is, a unique letter is prepared rather than a selection of one of the many form letters available.

68. A somewhat complicated, but efficient, applicant-record file system controls the applicant file during the entire processing procedure. If the applicant does EOD, an official personnel file is established elsewhere in OP and the interim file is eventually destroyed. The interim files on all applicants who do not EOD, for whatever reason, are coded by the branch personnel and sent to RID. The coded information results in a machine print-out of personal names and pertinent related data. Copies of the print-out are held by RID and a copy is returned to CRB for name check purposes. The hard copies of these files are microfilmed at the end of three years prior to destruction, but the file remains under the control of RID.

69. CRB supervisors were concerned at the time of our survey with the size of the name check file. The file had grown to over 125,000 names (an accumulation since 1950) and was time consuming and unwieldy to use. Checking for possible previous contacts with applicants over a 20-year period was netting minimum results. Finally, a decision was made to restrict the name check to a two-year coverage consisting of approximately 30,000 names.

70. At the present time, the CRB handles all correspondence involving professional applicants. Other than an initial acknowledgment letter, however, the Clerical Staffing Branch handles all sub-

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sequent correspondence with clerical applicants. We questioned the logic and efficiency of this division of labor in the Staff Personnel Division. Originally centralized in one unit, it was separated some eight years ago during a period when the Agency was heavily involved in recruiting clerks, including a high percentage on provisional clearance. The recently appointed Chief, SPD, also has questioned it, however, and a decision has been made to transfer the clerical correspondence activity to CTR. Centralizing this activity will probably increase efficiency of operations although communication between dispersed units will bear watching.

71. Overall, we found the branch tightly supervised with generally good morale. There was evidence of lack of adequate communications up the line, but this was rapidly being improved. The chief of the branch, while assigned for many years to this position, is still very active and constantly alert to new ideas and better ways of performing the assigned duties.

72. The chief and deputy chief, along with their staff, are performing an important function in the Office of Personnel (and Agency). Their efforts have a direct bearing on the Agency's public image. Timeliness and accuracy of correspondence with any and all potential applicants is most important. We were pleased to find that not infrequently applicants mentioned this fact while at headquarters

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for interviews and testing. At all levels within the branch,
we were impressed by each individual's awareness of this goal.
CNS is a good show.

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DEPUTY FOR PLANS AND CONTROL

1. There are grouped under this deputy all of the basic functions having to do with position management in CIA. These include the definition of individual jobs and of the staffing structures of operating components, the maintenance of the Agency records of positions and employee assignments, and, finally, the production of the varied rosters and statistical data on which supervisors and planners base their daily decisions in personnel administration. Also attached here for reasons of historical accident are a Plans Staff and a Review Staff. Each is very small and concerned for the most part with studies levied upon the Office of Personnel from above.



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Division. The latter is made up of three branches of approximately equal size handling (1) qualifications analysis, (2) statistical reporting, and (3) transactions and records.

The Plans and Review Staffs.

3. The Plans Staff had been preoccupied for the past year with a study of the professional manpower situation--CS-12 and above--

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facing the Agency in the 1970s. This culminated at the end of the year in a series of briefings of Agency senior management and of the managers of career services on projected retirement and other attrition rates and their possible impact on promotion opportunities for younger employees. The career services were being asked in turn during early 1971 to translate these general findings into projections of promotion potential for each of their employees and to plan appropriate adjustments in their recruitment and career management policies. Other recent Plans Staff assignments have included attitude surveys among former employees and other categories of young professionals, evaluation of SIPS automation proposals for OP, and detailed studies of employee resignation patterns. In its FY 73-77 program call the Staff was being oriented toward study of long-range functional, organizational, and technological change facing the Agency and the implications in such change for its management of its personnel.

4. Keeping the Agency's personnel regulations up to date has been the principal responsibility of the Review Staff. During the next few years the Staff proposes to perform studies of Agency personnel policies and processes with emphasis on the evaluation of their current effectiveness in comparison with their original objectives. The Plans Staff, by contrast, will focus on the long-range future. It appeared to us that the delineation of the work of the two staffs would prove to be a pretty

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fuzzy affair, and that project assignment rather than specialization in particular fields of personnel administration will characterize the use of the two staffs.

5. When and how will these staffs produce their major impact in the future? Certainly not in day-to-day conduct of business. Any question from a senior manager of the Agency concerning such matters as retirement, contracting, or insurance will inevitably be directed to the specialist, and, similarly, incipient problems in any given field are going to be recognized and analyzed first at the grass roots level of day-to-day operations, seldom by a Plans Staff.

6. The facts of specialization, however, do not preclude the presence of problems of system design throughout the OP components, not prevent collaboration among components on problems that require a variety of skills for solution. We were impressed, for example, with the accomplishments and the quality of the expertise in personnel administration matters that had been amassed among the OP careerists on the SIPS staff. After the SIPS plan becomes operational, this expertise should be returned to the Office of Personnel to work on evolving operational problems. We also noted during the inspection the existence in many OP shops of problems concerning forms, files, work flow, and the acquisition of office equipment. The Office of Personnel should maintain some centralized expertise in these fields, if only to ensure that lively contact is maintained with the many

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other parts of the Agency where useful knowledge and experience are being acquired.

7. Turning to Agency-wide personnel planning needs, it seemed to us that the Director of Personnel and his Plans Staff needed to establish and maintain a livelier contact with the managers of operating components concerning their planning needs and interests in the field of personnel administration. Out of such contacts should come more collaboration and joint experimentation on interface problems. Among such problems we would cite, for example, analyzing the roles and increasing the effectiveness of personnel officers, evolving better techniques in employee counselling by line managers and personnel officers, and studies of the quality of employee performance in relation to predictive tests and placement policy. We have previously noted that the Director of Personnel does not pursue an aggressive policy of examining, publicizing, and proposing standards for the fundamental processes of career management common to all of the Agency's career services.

8. We have not proposed increased police powers for the Director of Personnel over the Agency's career services because we agree that the operating managements with their intimate knowledge of quality of performance of individual employees must have final say in assignment and promotion decisions. We do believe, however, that CIA's career

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service management policy should be more open and visible to its employees and that the Director of Personnel and his Plans Staff are the logical instruments for promoting and coordinating the necessary studies and programs.

9. In sum, the Director of Personnel needs in his own office a better defined and more versatile capability to deal with a wide range of questions. Internally, these have to do with system, method, equipment, and forthcoming articulation with SIPS automation. Externally, they center on innovative relationship with the operating components and career service managements of the Agency. These objectives can be best served through a Planning and Systems Staff consolidating the capabilities of the three existing components-- Plans Staff, Review Staff, SIPS Systems Staff (personnel)--and adding new skills relating to equipment and work methods. The new staff should use small task forces that draw on appropriate skills from operating components. Project objectives should be explicit and limited. Deadlines should be short. There should be rotation of personnel on a two to four year schedule for most staff positions. The size of the staff should be held to about the present level of ten to twelve people.

Recommendation No. 13

That the Director of Personnel assemble his Plans and Review Staffs and his SIPS systems personnel, when available, into a consolidated Planning and Systems Staff attached to his immediate office.

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Control Division

10. The Control Division has a Statistical Reporting Branch, a Transactions and Records Branch, and a Qualifications Analysis Branch. Geographically, this division has been one of the continuing victims of decentralization. In February 1971 the division, less Transactions and Records Branch, was moved once more, this time to West-ate.

11. The division has been used as an area for placing problem employees. The nature of the work is mundane and repetitious; imagination and initiative are not required. Yet the service performed by the division is important. It provides the statistical reporting which supports the control mechanisms of the Agency. It also operates the File Room and associated sections, which permit ready access to basic data on employees.

12. The Qualifications Analysis Branch is charged with two main functions. One is to make and then update the biographical profile for each employee. The second function is to code the qualifications of each employee for machine retrieval. The Section is completely staffed by female staff employees and supplemented by two contract employees. They extract information from personnel files. Most of the employees seem contented, although there is some evidence of restiveness relative to the supervisor. Generally,

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however, there is an atmosphere of just getting the job done. Recently, the career management office has deliberately sought to introduce young employees into this section.

13. The Section consists of two staff employees whose work is supplemented by five retired annuitants on contract. The task is to convert the qualifications expressed verbally on a form into a code which can be used in machine searches for particular skills. All career services are provided on a regular basis with machine listings showing the academic degrees and language skills recorded for their career employees. The Clandestine Service codes the skills of its employees independently. The other directorates of the Agency request machine-assisted skill searches at the rate of about 60 per year.

Transactions and Records Branch

14. The office of the Chief, Transactions and Records Branch, is occupied by three individuals: the branch chief, deputy branch chief, and secretary. This front office is a working office in the sense that each individual has projects which are not related to the supervisory role. The office of the Chief, TRB, is used extensively by the Director of Personnel to provide various studies on specialized categories of personnel.

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15. The job of the branch chief is a challenging one which provides an opportunity for a young officer to test himself in a variety of management situations. The current incumbent has been on the job for about three years. This is probably too long for an individual to stay in this job. While there are educational aspects, the aggressive individual will soon have reached the limits of experience that he can gain on the job. From that point on, the routine nature of the task tends to cause a deterioration of performance and may stultify the growth of the young officer. It is suggested that a rotational cycle of about two years is suitable for this position. Such a time frame should serve to enhance the individual and assure a fresh outlook on the functions of the job.

16. The File Room is adequately described by its title. It is a large open space filled with the Official Personnel Files of the staff employees of the Agency. It is a beehive of activity with a constant movement of files to other elements of the Agency and daily recourse to the files for the purpose of adding material. It is ironic that when a file is retired to the Records Center it must be carefully screened in order to ensure that only necessary material is transported. Certainly, it would seem appropriate and logical to do this screening at the time that the material is placed in the file. A predetermination of essential records should be made and should take into account the

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ultimate need for Records Center disposal.

17. The File Room is staffed with women. The supervisory slots are filled by two long-time employees. There is no opportunity for promotion for the lower levels. Employees transfer from the File Room as soon as they feel they have served an appropriate stint. This turnover serves a good purpose. The File Room serves as a point of entry for clerical personnel, who learn a great deal about the mechanics of the operation of the office. They move on before they become disenchanted or dissatisfied. The morale of the File Room is surprisingly good. It may be attributed to the type of supervision, the fresh ideas, and the youth of the majority of the members.

18. The Official Personnel Files represent the legal documentation of an individual's career with the Agency. They are important and sensitive documents. We found to our surprise that the files are only superficially controlled. The single control within the Central File Room is a card system which identifies the Office which has requested a file. When the Central File Room forwards files to a requester, it does not advise which files have been forwarded. The requester does not notify which files have been received and are in its possession. Subsequent transfers of the file to other offices may or may not be reported to the Central File Room. Thus, the only assured control mechanism is the card identifying requester. There is no certain way to ascertain if files are lost en route. In consequence, it has not

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been unusual for files to remain unlocated for weeks or months at a time.

19. In our discussion of the need for a Systems Staff, we discuss the need for a general analysis of the manner in which the Office of Personnel handles its paper information. There is a definite need for a systematic approach to all aspects of files under the cognizance of this office. The priority area of concern, we believe, is the Official Personnel Files.

Recommendation No. 14

That the Director of Personnel initiate prompt action to ensure positive and continuous control and location of all Official Personnel Files. This should include scheduled physical inventory of files to verify location and control records. //

Statistical Reporting Branch

20. The Statistical Reporting Branch (SRB) with a T/O of ten is the keeper of numerical data concerning Agency employees. The data itself derives for the most part from the personnel action records generated by operating components and is maintained physically in the magnetic tape library of the Office of Computer Services. SRB orders and distributes throughout the Agency a substantial volume of standard or scheduled and regularly updated reports--more than 100 series in more than 600 arrangements--which OCS produces monthly or on other agreed frequencies. In addition, SRB services numerous ad hoc requests ✓

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for one-time machine-produced data listings to support special studies. The branch has developed real expertise in drafting the requests to the computer operators for these listings.

21. The branch lies squarely in the path of the DDF Support Information Processing System (SIPS), and its major subdevelopment known as the Turnover Control System. Present-day reporting services are scheduled to transfer to SIPS data management centers during the latter half of 1972. The users of such present-day statistical reports as the Position Control Register, the monthly separation report, or the fitness reporting schedule may initially detect little change in the product under SIPS aegis. The SIPS objectives rather have been concerned with rationalizing data input and internal computer operations as the means of changing consumer habits. Duplicative input of data will be reduced to an absolute minimum throughout the Office of Personnel. Given more efficient, versatile computer equipment and programs the user should see a dramatic speedup in service. Given reliability of access he should become willing to dispense with today's large, slow, and expensive flow of standard reports and learn to ask the computer only for what he needs at the time he needs it. The SIPS data management centers will require staff well trained in data retrieval procedures, and HRB staff are logical candidates for such assignments given some upgrading in staff skills. We think that planning for the reassignment and the retraining of HRB personnel ought to get under

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way in 1971.

22. The SIPS Staff has performed exhaustive review and revision of the SER standard reports with the following results to date:

Reports deleted	191
Reports revised	108
Reports unchanged	35
Reports added	85

There are a good many reports dealing for example with qualifications inventory, career trainees, and the CIA Retirement and Disability System that remain to be studied. Reexamination of the validity of products is often cited as one of the principal sources of benefit from automation projects. We think that the SIPS analysts have indeed made an excellent contribution to the management and future content of statistics in the Office of Personnel. We did not inspect the SIPS project itself and indeed considered that it would be inadvisable to do so during the next 18 months in view of the complexity of the hardware and software developments now under way. Similarly, we have not proposed major changes in existing SER operations when there are due to change so drastically in the near future. We do recommend that SER, backed by the Director of Personnel, appeal to operating components to reduce their requirements for standard reporting to an absolute minimum during the next 18 months in order to free SER personnel for conversion preparations. Frequency of

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reporting should be reduced, e.g., from monthly to quarterly during the conversion period. SRB maintains a master library of current reports, and requesting components should be asked to cancel their existing requirements wherever possible and to use the reports in the SRB library or to make Xerox copies of them at their own expense.

Position Management and Compensation Division

23. The Position Management and Compensation Division (PMCD) has a T/O of 16 positions, 13 professionals and 3 clericals. The division is made up of two branches, Intelligence & Support, and Scientific & Clandestine Service.

24. The division is charged with responsibilities under the following regulations:

"The Agency will conduct a continuing program of manpower resources management which will assure maximum efficiency and economy in the use of manpower consistent with the Agency's assigned missions and responsibilities" [redacted]

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"In setting up occupational categories and pay levels for Agency positions it is Agency policy to follow the concepts and principles of the Classification Act of 1949, as amended, as a means for establishing effective internal position alignment, maintaining reasonable comparability with other Government agencies, and simplifying adjustments to conform to Federal salary changes and employment benefits. Overall objectives are to maintain an Agency staffing pattern which will attract and retain highly qualified and competent employees and which will reflect the characteristics of Agency employment, and to provide an effective means of controlling expenditures for personal services" [redacted]

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25. The organization and control of manpower is of course one of the most basic of management responsibilities. The Agency operates under a staff manpower ceiling as established by the Congress and the Office of Management and Budget. Each component in the Agency is assigned a staffing complement which identifies the positions to which personnel will be assigned to carry out its assigned missions and functions. Additionally, each career service is assigned a Career Service Grade Authorization which controls the maximum number of personnel authorized at each General Schedule grade level. These organizational and manpower controls are built on the basic framework of the Table of Organization (T/O).

26. The T/O of the Agency and the staff manpower ceiling theoretically should be the same numerical figure. In practice this seldom occurs, but there is a continuing effort toward that goal. The T/O reflects not only numbers but also position classifications (job titles) and GS grade levels. All three are vital in controlling manpower utilization.

27. Two items of the T/O, numbers of positions and associated grades, form the framework against which personnel resources are funded. Both require accurate and up-to-date job descriptions to be realistic figures. To the extent that either is badly out of date, higher management levels are deprived of a valuable source of information on the state of the Agency.

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28. On a day-to-day basis, the Office of Personnel is involved in authenticating and issuing staffing complements and revisions, assuring that components adhere to ceiling restrictions, monitoring entrance on duty and transfers of personnel, approving temporary overstrength situations, evaluating proposals to establish or change the number of supergrade and SPS positions, developing and authenticating the career service grade average, and assuring compliance by the components. In performing these tasks it works closely with HRD and the Executive Director-Comptroller. The thrust of these functions is one of liaison and monitoring. However, in the area of position evaluation the Office of Personnel is solely responsible. It is required to assure top management that the positions in the component's staffing complements are accurately evaluated as to occupational category, position description, and pay level. We find a serious short fall in this specifically assigned function in the Office of Personnel.

29. The Position Management and Compensation Division's primary assignment is position evaluation. The record shows that a disturbing proportion of the Agency is not covered with currently adequate position evaluations. While the record for individual positions evaluated is fairly impressive in FY-70), the number of components surveyed is not.

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Position Surveys by Components

	<u>Number of Components</u>	<u>Maintenance Rate (yrs.)</u>	<u>Maximum Spread (yrs.)</u>	<u>% of Position Descriptions Completed</u>
DCI	5	8.2	3-15	75
DDF	10	7.4	0-14	80.5
DDP	14	3.9	1-10*	50
DDI	10	8.9	1-16	80
DD/C&E	8	3.6	0-10	31.25
Agency	47	6.1	0-16*	63.35

As can readily be seen the average component survey is being performed on something like a six-year rather than a three-year cycle, which we believe to be desirable. Coverage is erratic with ten components lacking a survey within the past ten years. Approximately one-third of the total positions in the Agency lack a position description. These records reflect a passive reaction on the part of the Office of Personnel to an assigned responsibility. The office has permitted the manpower resources of PMCD to shrink to the point where the division devotes only 34 percent (FY-70) of its manhours to position surveys and individual actions. The rest of the time is spent in reviewing ~~who~~ components have never been surveyed.

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staffing complements, reacting to grade change requests, preparing planning papers, and making pay adjustments. These latter assignments require priority and component position evaluations receive only minimal attention. This situation has been permitted to develop over the last 4-8 years as the division has come to operate on a 'burnt olive' approach. The line components that make the most urgent requests for reorganization or position reclassification receive the attention of the all-too-limited resources.

30. The utility of component surveys, in contrast to spot or individual position surveys, is that only through this approach can a meaningful audit be made of the total manpower utilization within a component. A thorough and comprehensive component audit assures measurement of (1) the proper mix between professionals and clericals, (2) accurate descriptions of each position and occupational category with unique insight into workload and productivity aspects, (3) proper designation of limited and flexible positions relationship, and (4) the correct General Services grade level for each position.

31. In our survey we found ENCD ill-equipped in relation to its total assigned responsibilities. In recent years, the division has lost some of its initiative and has assumed a somewhat passive attitude toward accomplishing its total mission. At the same time we acknowledge the devotion and hard work of the individual members of the division. The Agency uses more than 750 occupational categories and

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has its full share of complex staffing patterns. These employees have devoted their best talents to maintaining accurate job descriptions, average grade ceilings, and proper pay levels. Their technical skills are not questioned.

32. The present situation calls for positive action on the part of the Office of Personnel. From a high point of over 40 positions in the late 1950s, the division has been curtailed to its present T/O of sixteen. We believe it to be seriously understaffed. The Deputy for Plans and Control estimates that a staff of twenty-four (24) persons is required to adequately perform the total assigned responsibilities. The T/O of the division should be increased to the point where it can carry on its monitoring responsibilities and conduct detailed component position surveys on the three-year schedule.

33. A careful evaluation of the personnel assignments in the division is also in order. Many of the present incumbents are approaching retirement in the next several years. Although CTs have moved in and out of the division, the main staff of professional classifiers has remained static. An organized rotation plan for senior classifiers has been lacking and should be instituted. A review at this time should develop a rotational plan (6-8 years) and schedule the introduction of new blood at all levels in the division. Pending retirements coupled with a slight expansion of the T/O should permit these objectives to be accomplished.

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Recommendation No. 15

That the Office of Personnel:

- a. Review the manpower resources needed by PMCD to carry out its full mission and responsibility and adjust the T/O of PMCD accordingly,
- b. Develop a rotational plan for professional position classifiers, and
- c. Assign well qualified young personnel officers to the division.

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DEPUTY FOR SPECIAL PROGRAMS

1. The Deputy for Special Programs presides over a diverse array of activities which bring his staff into contact, in many cases frequently, with almost every employee of the Agency. Such exposure places a distinct premium on efficiency of performance and on a capacity for empathy in handling people. The staff must also keep abreast of the benefit and service programs of other components of the Government and of large private organizations. It is important that it be staffed by able people of diverse skill and wide experience. We found it well staffed at the present time.

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Benefits and Services Division

Personal Affairs Branch

3. The Personal Affairs Branch (PAB) with 16 distinct programs is the most diversified of the components of Benefits and Services Division (BSD) in the Office of Personnel. It has a T/O of positions, 7 professionals including the chief and deputy chief, and 6 clerical employees.

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4. Over the past 18 years the Agency has supported a steadily increasing employee benefits program. Some of the largest programs such as health insurance, retirement, and private insurance plans (except FEGLI) have been assigned to other components in the division or elsewhere in the directorate, but the great majority continue to be concentrated in this branch.

5. The branch is responsible for both statutory and service programs. The former consists of the following.

a. Federal Employees' Compensation Act. A Government-wide program covering employees injured while on duty. The branch works closely with the Bureau of Employee Compensation (BEC) in the Department of Labor in filing cases in behalf of Agency employees. In FY-70, 209 new cases were processed, 56 approved, 7 rejected, and 143 remained pending as of 30 June 1970. An additional 311 new claims were filed as potential cases pending a future decision. Within PAB two professional persons handle the "BEC" cases. At the time of our survey, one employee was on loan to BSD for the annual fund drive (CFC). This took her away from the branch for approximately six months. This was time the branch could ill afford to lose. A backlog of BEC cases was developing. Although the branch had arranged for interim fundings on "suaire" cases and concentrated on more complex ones, responses

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to the field were delayed and an overall slowdown occurred. Employees who have filed BEC claims should not be the victims of any unnecessary delay.

b. Overseas Hospitalization Programs for Employees and Dependents. The main thrust of this program is to provide medical care for overseas Agency employees and their dependents.

25X1 In FY-70, [] were provided medical care under this program, at an estimated cost of approximately \$320,000. Although the number of cases will probably decrease (OPRED, BALPA), inflationary medical costs will keep the cost of the program at about its present level or higher. In PAB the same two technicians who handle the BEC cases are responsible for this program. The understaffed situation described in (a) above applies equally to this function in the branch.

c. Federal Employees' Group Life Insurance (FEGLI). Once an employee has signed up for this insurance coverage [] Agency employees as of 30 June 1970) the Payroll Unit in the Office of Finance is responsible for deducting premium costs. The PAB is responsible for handling new employees, changes in beneficiaries, and increased coverage during "open" seasons in the program. This function does not require very many manhours in PAB. It is the only employee insurance program not in the

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Insurance Branch. We questioned the logic of this arrangement and were assured that, except for employee convenience, it would be transferred to the Insurance Branch in Rosslyn.

When and if space allocation corrects this situation, we recommend that the FECLI program, in OF, be transferred from PAB to the Insurance Branch.

6. Service programs, 13 in number, demand the bulk of the man-hours in PAB. Some of these require only minimal attention throughout the year, but add up to meaningful services to Agency employees. For the purposes of this survey, it will suffice to list them without description:

Red Cross Blood Donor and Replacement Program

Bulletin Boards

Car Pool Locator

Income Tax Assistance

Vital Papers Repository

Religious Services

Absentee Voter Assistance

More time demanding and of greater impact are the following services:

a. Casualty Assistance and Employee Emergencies. Management in the branch and the division give this function number one priority. An emergency duty officer is available 24 hours a day, every day of the year. A security page-boy electrical

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system is used to maintain coverage during non-working hours. The thrust of this program is to come to the assistance of any employee and/or his family at the time of an emergency. While most cases involve overseas situations, support is usually available on the domestic scene, including the headquarters area. Many of these involve the death of an employee (40 in FY-70) when every effort is made to assist the family immediately and in the period following. The branch has earned a fine reputation for its work in this field.

B. Personal Affairs Counselling. Covering a wide range of problems this program is a "catch-all" activity, albeit of utmost importance in the field of employee assistance. One professional, highly motivated and competent, handles employee personal counselling in PAB. Involved are minor problems concerning leases, contracts, and disagreements with roommates, up to serious debt complaints, financial problems, and child-birth out of wedlock. The counselor staffs out every employee debt complaint received by the Agency and prepares a response. In difficult cases she will work out a complete personal budget with an employee; in these cases a monthly follow-up meeting is mandatory. As some of these cases involve PEAS assistance, she does the staff work prior to their submittal to the PEAS Board.

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She works closely with the Executive Secretary in these cases. Both debt complaints and unruly mothers' cases have shown a disturbing increase over the past few years. The increases have been particularly associated with new employees, many on board less than one year. We suggest that the Office of Personnel address itself to a study of these cases, hoping thereby to arrive at some remedial actions beyond those currently in force.

c. Exit Processing. In November 1970, the pre-exit interview program was moved from PAB to the Professional Placement Branch in the Staff Personnel Division. Exit processing, however, involves much more than determining why the employee is leaving; it involves the technical procedures of separating an individual from the Agency, for whatever reason. Including summer-only employees, some 200 persons are processed out each month (2,436 in FY-70). We found the procedures efficient and streamlined; the PAB personnel appear to be on top of the problem and alert to new ideas. For example, upon their recommendation contract employees probably will be processed-out by PAB in the near future. Previously handled by the individual's contracting component, it was suggested that they be handled in the same way staff employees are processed out. Contract employees then would

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be assured of equal and full knowledge of all benefits and obligations associated with leaving the Agency. A "trial run" with TTD [] contract employees is under way and promises to be successful. The transfer of function should be adopted. Inadequate physical space leads to confusion, but the branch personnel have learned to live with the problem.

7. We are deeply concerned about the inadequacy of assigned physical space in the branch. It is not so much lack of space but lack of minimum privacy that troubles us. Employees desiring counsel on strictly personal problems are not afforded the privacy they deserve. In our interviews with branch personnel each person, without exception, mentioned this as the single most serious problem in the unit. We urge the Office of Personnel to study this problem again and attempt to find a solution. The confusion associated with exit processing mentioned above, although troublesome, is not on a par with the lack-of-privacy problem.

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locations between the field and headquarters requesting assistance. A revised, up-to-date handbook was sent to the Chief, Support Services, DDC, on 3 February 1970 for approval. At the time of the survey no final action of approval had been given for FAS to publish. We find this unacceptable and urge prompt attention to this matter. We further recommend that these handbooks, once revised and published, be maintained up-to-date on a current basis.

9. While fully supporting the annual fund drives in the Agency, we question management's (USD) decision to staff them at the expense of the EEC and overseas hospitalization claims program. We feel that this is a misdirected priority.

10. The Missing Persons Act establishes a program designed to: (a) achieve the freedom of the individual, if he has been incarcerated in the line of duty and (b) assure the wellbeing of his dependents during the period of imprisonment. Under the law the Director of Personnel is in a fiduciary role relative to the missing employee. The program is executed on behalf of the individual until there is clear or presumptive evidence of his death.

11. The program is administered with compassion, deep involvement, and a fine sense of responsibility toward the prisoner. It is a humane, concerted effort to sustain the dependents and to encourage the prisoners. The office has developed a briefing program for individuals going to risk-of-capture areas which serves, at least,

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to reassure them that their dependents will be cared for. All in all, the Office of Personnel is to be commended for their execution of this program in such a sensitive area of human relationships.

Central Processing Branch

12. The Director of Personnel is charged to provide a processing service in cooperation with other support components to arrange for travel and the shipment and storage of employees' personal effects, including shipment of privately owned vehicles. This function is discharged through the medium of the Central Processing Branch. This branch, consisting of 32 individuals, is a mixture of Personnel, Finance, and Logistics people managed by the Director of Personnel through the Director of Special Activities.

13. The unit appears to be working effectively. Few complaints on the part of travelers have been encountered. Most travelers appear to find that the services provided meet their requirements on a timely basis. We suggest later that the application of modern information processing techniques may enhance the existing service. The workload itself is cyclical with the heavy travel months during summer vacation. There are considerable stretches of underemployment for the staff.

14. The space situation is reasonably good, but when all processing technicians are fully occupied with interviews, the scene can be one of visual confusion and audio din. The noise situation could

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be improved through better intercom facilities for the technicians.

15. The personnel assignment philosophy within CPB has been one which has emphasized continuity rather than innovation. Once a suitable operating technique has evolved there has been little drive to improve it. This may be satisfactory as the nature of the processing contains many repetitive operations. Nonetheless, consideration of new management techniques might permit manpower savings. For example, it would appear feasible to program a small computer to respond to the many variables existing in travel situations. If such should prove to be the case, the travel technician could query the computer with the specifics of an individual travel case and receive a response which would indicate travel alternatives and allowable costs. This information could be available within a matter of seconds, permitting the employee to select his course of action and be about his business in much less time than is currently involved. Such a use of modern information systems might permit a reallocation of human resources or the handling of cases in shorter time.

16. Repeatedly, the interviewed technicians stressed the fact that they were underemployed during the season of the survey. Several also volunteered the fact that they were somewhat underemployed during the weak season. Our general impression is that this branch is slightly overstaffed for its present and contemplated workload.

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Recommendation No. 16

That the Director of Personnel study the workload demands upon the Central Processing Branch subsequent to overseas personnel reduction programs, such as PALPA and OPRED, to determine the manpower needs of the branch.

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travel seems to be least feasible in situations involving TDY travel. A permanent change of station normally involves several months of lead time which permits the scheduling of the traveler well in advance of the performance of travel. Frequently, TDY travel requires our need quite near the actual time of travel. The necessity [redacted]

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[redacted] cannot always be accommodated to the operational needs motivating the proposed travel. At such times, [redacted] becomes a hindrance.

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Recommendation No. 17

That a careful review be conducted to determine if the use of this discount package travel plan is both economical and operationally useful for both PCS and TDY travel.

Employee Activity Association

18. The Office of Personnel's contributions to employee morale and well-being in the fields of recreation, convenience, and physical fitness are managed and implemented by the Employee Activity Association.

This is a private organization of some members which was formed 25X1 to provide employees with the opportunity to participate in various instructional classes, social groups, and sporting activities. One of the aims is to operate the EAA on a non-subsidized basis. Income is generated from membership fees ranging from \$2 to \$25 and by profits from the operations of a small store.

19. The Association is divided into three primary functional areas. One area is responsible for the operation of a ticket sales facility and clubs and athletic leagues; a second operates the EAA store and the third manages the physical fitness room. The ticket sales activity is manned by two staff and two contract employees.

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20. The ticket sales activity formerly used a voucher system with various theaters, cinemas, and sports teams in the local area. Tickets purchased through this means frequently were available at a discount. The number of facilities offered were limited to those in the local area with whom agreements had been reached. In an effort to expand the available services, EAA has subscribed to Ticketron, a centralized ticketing service which can provide computer printed tickets on a confirmed space basis within a matter of minutes to a great variety of entertainment and sporting events on the East Coast of the United States. Access to Ticketron has provided a much enlarged base for ticket sales. It does have some disadvantages. Ticketron not only does not permit discounts as a general rule; it also requires the payment of a service fee. This fee is presently 25¢ of which 12.5¢ is returned to EAA. The service fee will shortly increase to 35¢, at which point EAA will receive 15¢. It is the general feeling of EAA that the availability of more ticketing services will offset loss of discounts. This phase of EAA is primarily a convenience for employees, and was being heavily patronized in the early months of 1971.

21. The group recreation program seeks to provide instruction or social opportunities for employees in a wide range of activities. Instructions range from practical subjects such as auto maintenance through karate to the esoteria of computer sciences. Social activities

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include bridge, Toastmasters, and similar events. In addition, there is a skiing club with scheduled trips to Charnita during the skiing season. Any type of instruction or club will be offered if there is sufficient demand. The major problem confronting the area is space. No classrooms or meeting rooms are regularly available. Considerable time is spent in scheduling or arranging meeting space for these activities.

22. Athletic leagues are operated by EAA for most of the common team sports. Again, a major problem is space for conducting these events. The competition for public school gymnasiums is becoming increasingly intense, and the Agency is in no favored position in scheduling. In an attempt to deal with the space problem, a building dedicated to EAA has been proposed. The building would provide meeting rooms, a gymnasium, office space, and bowling alleys. Funding would be by the Credit Union on a standard construction mortgage basis. It is estimated that the income derived from the operation of bowling lanes alone would enable the amortization of the mortgage in about ten years.

23. The EAA store is a small retail outlet which offers a selected line of merchandise to Association members at discounts ranging up to 40 percent. An effort has been made to provide service to employees in other buildings, but this has foundered on various

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logistical problems. The store operates quite effectively. If more space were available for specialized catalogue sales and better merchandising, more income could be produced. The management of the store has done quite well in producing a large amount of income from a limited base.

24. One of the requirements of the Executive Director has been self-sufficiency on the part of the store. It has achieved that aim. The store is a primary source of funds for support of classes and athletic activities. As such, any increase in available profits is a direct benefit to the rest of the EAA program. Presently, three store employees are staff employees. They are a GS-13, GS-9, and a GS-4. The store reimburses the Government for all of its expenses, including the Government contributions to various benefit programs. One immediate way of generating additional income would be to reduce the expenditures for these employees. This could be done by hiring retired annuitants on a contract basis to perform the functions being performed by staff employees. Certainly, every effort should be made to get away from an employment base of relatively high-priced staff employees.

Recommendation No. 18

That the Director of Personnel convert the store employees to a non-staff basis as soon as possible, making the maximum use of annuitants.

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25. The Physical Fitness Room is staffed by one full-time contract employee at the equivalent of GS-9 grade level. The fitness room is subsidized to the extent that the Government pays the contract employee and provides the space, light, and heat for the activity. It appears to be an efficiently managed operation which may bring some immediate benefits to the Agency in terms of improved physical well being of employees.

26. How valuable are these fringe benefits to the overall accomplishment of the Agency's mission? About one third of the total Agency employees are members of the Association. Perhaps all of these members will at one time or another utilize the services of the store and the ticket purchasing facility. Club activities are used by some 1,650 members; athletic leagues draw a participation of 1,340, and the Physical Fitness Room enjoys an average use of 100 per day.

25X1 27. Cover restrictions inhibit the use of the service by individuals who are under cover. It is the estimate of EAA management that the membership figure may represent a realistic maximum. The preponderant majority of EAA memberships are renewed on an annual basis indicating to us that the benefits are indeed significant to the employees at Langley who have meaningful accessibility to EAA services.

Incentive Awards Branch

28. The Incentive Awards Branch in the Benefits and Services

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Division is responsible within OP for the Honor and Merit Awards and the Suggestion and Invention Awards Programs in the Agency. Each program is covered by an Agency Regulation (respectively), and the branch works hand-in-glove with a formal Agency board and committee designated, respectively, the Honor and Merit Awards Board (HMAB), and the Suggestion Awards Committee (SAC).

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29. The branch has a T/O of four persons, two assigned to each program. Although one person is designated branch chief, the programs are completely separate, and he does not take administrative nor substantive responsibility for both. The branch chief handles the Suggestion and Invention Awards Program (SIAP) and the other senior professional handles the Honor and Merit Awards Program (HMAP). Each person functions as executive secretary to their respective board or committee, prepares all cases to come before the bodies for consideration, and in so doing, work independently of each other. Both work closely and directly with the Office of the Director of Personnel. The Deputy for Special Programs and the Division Chief are kept fully informed of all activities, but do not play a day-to-day supervisory role in the programs. This line management arrangement appears to be justified by the fact that D/Pers and DD/Pers chair the Agency Board and Committee (Chairman and Vice-Chairman) and are personally instrumental in actions taken by them.

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Honor and Merit Awards Program

30. An IG Survey of the Agency Honor Awards Program completed in May 1967 reviewed the program in depth. The findings and conclusions, with only minor changes, are still valid. We have restricted our comments to the current impact of the program.

31. The Honor and Merit Awards Program in the Agency is an on-going program fully supported by top management. The Board (HMAB), supported by the Office of Personnel, is handling an increasing number of recommendations for all types of awards except Public Service Awards. There were 72 ceremonies in FY-69 and 119 in FY-70.

32. The Agency's Honor and Merit Awards Board, chaired by the Director of Personnel and supported by two persons in the Incentive Awards Branch, reviews each recommendation carefully. We were impressed by the full and complete staff work provided by the Executive Secretary, the continuity and wisdom provided by the Recorder, and the conscientious work of the Board members representing the O/DCI, the directorates, and the Office of Security. The Executive Secretary and her assistant (with possibly some additional secretarial help) and the Board are equipped to handle the current workload and the anticipated slight increase in the next few years.

33. In the Incentive Awards Branch itself, two persons work full time on this program. The Executive Secretary and her assistant

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prepare all cases to go before the Board, maintain records, and arranges for and participates in all ceremonies. The program records are being converted to an automated system (PERHAM) which will permit rapid recall of data and an increasing horizon of meaningful statistical reports. The current years are encoded and about 50 percent of the backlog is in machine format. Completion of this project is strongly encouraged. At the present time this program lacks adequate secretarial/clerical support. Lacking such a position in the branch (all four positions are professional) they are forced to depend on rotating part-time assignees. This arrangement is neither practical nor efficient. The result is that professional persons spend an undue amount of time at typing and clerical duties. The HMAP and the Suggestion and Invention Awards Program should have and share the services of one full-time secretary typist.

Suggestion and Invention Awards Program

34. Under Public Law 763, Title 3, the Suggestion Awards Committee (SAC) administers the Agency's Suggestion and Invention Awards Program (SIAP). The Office of Personnel provides the Committee with an executive secretary and the necessary administrative support. This function is provided by the Incentive Awards Branch (IAB). The Committee is responsible for developing standards for suggestions and inventions, reviewing suggestions and recommending awards, and granting

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or recommending rewards thereto.

35. Prime factors in the effectiveness of this program in the Agency is the role played by the Chairman of the Committee (D/Pers and/or DD/Pers) and the devotion of the Executive Secretary and his assistant in IAB. The Chairman provides the motivation at senior levels, which in turn stimulates middle management to actively encourage their personnel to participate in the program. The Executive Secretary, with his assistant, not only staffs out the several hundred cases per year, but he personally works with line managers throughout the Agency stimulating activity, assisting in original case preparations, validating the suggestions, and encouraging the development of in-house Suggestion Awards Panels and coordinators (there are some 15 at the present time). Because of security, the CS has a Special Panel to handle operational cases. The Executive Secretary works closely with this panel and is liaison with the Director of Personnel, who alone on the SAC is involved in these cases.

36. The SAC, Chaired by the Director of Personnel or his deputy, has five additional voting members (ODCI, DDP, DDS, DDI, and DD/S&T) and three non-voting advisors (OS, OC, and OF). The Executive Secretary provides each member of the Committee with copies (fully staffed out and validated) of the suggestion cases prior to each meeting. Technical

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experts are interviewed by the Committee, as required. After full discussion, the Committee will reject or recommend acceptance and assign an appropriate monetary award. The Committee works with CSC guidelines, precedence of previous cases, and with the full authority of the DCI. It alone has the responsibility to recommend the action to be taken. In FY-70 the IAB received 478 suggestions, eliminated 109 (22.8 percent) as ineligible, and processed 369 (77.2 percent) as eligible for Committee action. The Committee adopted 117 (32 percent adoption rate) and awarded 97 cash awards and 20 certifications of appreciation. The total cash awards for FY-70 amounted to \$30,330--a new high. First-year tangible savings (FY-70) are estimated to be \$574,086--almost 19 times the amount of the awards. Intangible savings are frequently estimated to be many times those tangible, and in FY-70 more than 50 percent were for intangible benefits. Like the HMAB, we found the SAC an active, mature group of senior persons fully devoted to a serious responsibility. The care with which they considered each suggestion and, if approved, assigned a monetary value to it was impressive.

Insurance Branch

37. The Insurance Branch was the target of multiple reviews and investigations during 1970. The SIPS Staff was active throughout the year in developing the design requirements for PERINSUR, the insurance

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data processing plan. The Audit Staff completed a regular visit, and the IG inspection occurred during the last months of the year. In general, the branch came through these investigations with good to excellent marks. In the case of PERINSUR, the branch found itself in general agreement with the objectives if more hopeful than confident in the short run concerning the specific plans for use of the computer in Agency insurance operations.

38. The branch staff of 36 is organized into

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Sections and is manned by veteran supervisors, a small number of specialist technicians, and a journeyman corps at the GS-7 level which is subject to a fairly high rate of turnover. The staff processed 18,382 hospitalization and medical claims, nearly 7,000 term life insurance policies controlled, and a host of lesser plans and services provided during the latest reporting year.

39. There is a wide and attractive choice of insurance plans available to Agency personnel in the categories of life, health, and travel insurance coverage appropriate to an Agency operating overseas and placing more than average emphasis on youth. Cover considerations complicate the insurance services significantly and make it appropriate that CIA bear a considerable portion of overhead costs. Currently 20 positions are Government funded, and the balance of 16 are reimbursed from GEHA operations.

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40. The insurance business generates a deluge of statistics with most categories of reporting dependent on comparative data from earlier periods to permit identification of problems and trends. Summary statistical data on operations appeared generally satisfactory, but we found in this present-day pre-SIPS world that many questions concerning characteristics of policyholders and patterns of claims experience could not be answered without long and tedious manual labor. Present-day machine support for the Insurance Branch is acknowledged to be a hodgepodge of primitive systems, many still based on punched cards.

41. The key features of the SIPS insurance automation plan are readily summarized. It proposes to concentrate initially on policy and premium management and to leave the field of claims processing for investigation at a later date. Four plans including UBLIC, WAEPA, Contract Life, and Income Replacement are to be converted to biweekly payroll deduction for the collection of premiums; Flight and Accident Policy and Dread Disease are to shift to an annual payroll deduction plan. An individual's insurance record will be available for on-line query from remote access equipment. Computer records will be updated daily, and each policyholder will receive an annual statement of coverage and beneficiaries.

42. The obvious and proved utility of automation in the insurance industry prompts the observation that SIPS involvement has imposed

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long delays in the automation of the Insurance Branch. The system now proposed ought to have been introduced years ago. There are a comparatively small number of elements of information to be managed in the typical insurance record, and most of these are of no utility elsewhere in the Office of Personnel or in the DDS. The extension of payroll deduction to other life insurance plans was proved feasible long ago with FEGLI life insurance and the Agency's hospitalization plan. Even the proposed implementation of PERINSUR may still lie several years in the future should the SIPS hardware or the software package (GIMS) encounter significant debugging problems.

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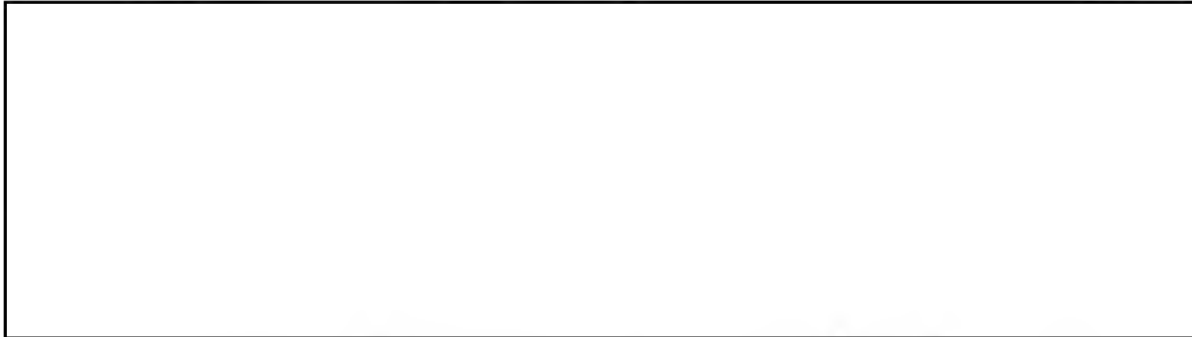
43. The Insurance Branch was making slow progress in the preparation of headquarters and field handbooks on insurance. Publication lies another one to two years in the future. We attach considerable significance to this handbook project and to the entire subject of effective communication between the branch and the Agency's employees. Both direct and indirect communication by way of the personnel officers in the support shops of the Agency should be greatly increased. The branch offered the opinion in its planning paper for FY-71 that it "offers excellent buys" in several insurance areas but many employees do not know of them. Our quick look at the situation by way of the evidence summarized in the next few paragraphs seemed to confirm this observation.

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45. We were interested next to look at age patterns of UBLIC subscribers. We grouped policyholders and male CIA employees (30 June 1970) in ten year blocks with the following results:

<u>Age Group</u>	<u>Male GS Employee Population, 30 June 1970</u>	<u>UBLIC Policies in Force by Age of Holder--Jan 71</u>
20-29		
30-39		
40-49		
50-59		

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46. We next checked for a plausible indicator of the amount of insurance carried by a typical Agency employee, head of household, and in the peak zone of insurable risk. For the Agency employee bracket, aged 35-39, the average grade on 30 June 1970 was 10.72. Grade 10, Step 7, under the 1971 revised pay scale yields a salary of \$13,821 and a FEGLI term insurance coverage eligibility of \$16,000.

47. We recognized at this point that policies in force with private insurance companies are a significant factor which we could not take into account. However, the extreme cheapness of term insurance at \$7.15 per \$1,000 per year for FEGLI and \$5.00 per \$1,000 for UBLIC

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makes the added protection of the latter seem extremely attractive and prudent.

48. It seems likely then that the great majority of CIA employees are relying on FEGLI alone and intend only that their insurance protection cover transition costs until a widow can begin to earn regular pay. Insurance as a means of income replacement, e.g., \$100,000 of coverage to yield an income of \$5,000 per year in augmentation of the retirement system survivor annuity, would appear to be widely regarded as an impractical and expensive luxury.

49. We recommend that Agency employees be continuously informed, indeed educated, about the insurance options available to them, and how to think about insurance in terms of insurable risk, protection features, and costs. We would like to see the Insurance Branch chief back up the prospective handbook with regular training seminars for personnel officers. The seminars should be kept small in size to permit real give and take in discussing insurance problems and to assure the development of competence in insurance counselling. Next we would like to see at least a biennial update of an employees' handbook/brochure, similar to the publication on benefit programs of the mid-1960s, in which insurance and related estate planning matters were dealt with in a systematic and imaginative manner. Finally, we suggest that the branch regularly contribute articles on insurance to

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the DDS Support Bulletin. There can surely be no dearth of appropriate topics and useful information concerning the Agency's very excellent insurance program.

Northwest Federal Credit Union

50. The Northwest Federal Credit Union reached or held at the top of its growth curve in 1970 in such dimensions as number of accounts and number of loans per year, however, it fairly leaped ahead in such categories as share balance, loan volume, and net income.

	<u>1964</u> <u>(last inspection)</u>	<u>1969</u>	<u>1970</u>	25X1
Number of Accounts	<div style="border: 1px solid black; height: 80px; width: 100%;"></div>			
Number of Loans Per Year				
Share Balance				
Loan Volume (annual)				
Net Income				

51. In addition to this somewhat explosive growth situation, we found that the Credit Union was in the throes of conversion to a computer-based bookkeeping operation which was inaugurated in December 1970. The changeover required many manhours of preparation and training prior to the change and a good deal of debugging of records and procedures after conversion. Finally, we saw plentiful evidence that the Credit Union is effective in meeting the needs of a headquarters community of very respectable size. We judged that the Credit Union

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makes a vital contribution to the welfare and morale of the Agency's employees.

52. We found during our inspection that the Credit Union staff works well together and shows good poise under pressure. There is a substantial mix of veterans on the roster, and they contribute stability to what seemed on the surface to be a scene of considerable confusion. The key to this situation is space. The Credit Union quarters were laid out for 16 employees in 1963 when the move to Langley took place, and today they accommodate 28 on regular workdays and 32 on paydays. There are 24 full-time employees and 10 part-timers on the Credit Union payroll, all funded out of the loan operations. The part-timers are wives of Agency employees who work on paydays and in other similar situations. Work pressures in the loan department are such as to indicate that another counsellor, a typist, and a telephone receptionist are needed.

53. The Credit Union management and the Credit Union Board were moving ahead on several fronts to cope with their growth problems, including the switch to computer operations previously noted, a survey of telephone traffic preparatory to planning new equipment and procedures, and a study of the space problem by the architectural design staff of the Office of Logistics. We suggest that the Credit Union management may need to extend its hours of service to the public,

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particularly in the case of the loan counselling department.

Contract Personnel Division

54. The basic assignment of missions and functions to the Director of Personnel includes as paragraph (2)(c): "Prepare individual contracts when personal services are obtained through contractual relationships, and execute contractual agreements for the covert support of operations." The primary mission of the Contract Personnel Division is accomplishment of this function.

55. The division is compact, consisting of six professionals and six secretaries. Legal aspects of contractual relationships dictate the permanent presence of one or two qualified lawyers on the staff. Morale is high and the operations of the division reflect a deep personal commitment on the part of the staff members to the division chief. The work assignments of the office are carried out smoothly and effectively. Despite the small size of the division, there are some indications of underemployment. If necessary, the Director of Personnel could reduce this staff by one professional and one secretary without seriously hampering the fulfillment of his functions.

56. There is a considerable interplay between the Contract Personnel Division and the contract personnel officers of the Clandestine Service. There is a clear distinction in their roles. The component contracting officers are actively engaged in contract negotiations

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with other parties, including agents. They levy the requirement upon CPD for a contract and specify the contractual benefits to be contained therein. Contract Personnel Division acts as a policy consultant, provides guidelines, and actually writes the finished product. It then maintains files which are germane to the individual contract. A simple delineation between the two roles might be that the contracting officer is directly involved with people while the Contract Personnel Division is concerned with the paper of a contract negotiation.

57. The division leadership has encouraged an innovative approach to contract monitoring and formulation. For example, the only active portion of SIPS in the Office of Personnel is PERCON, which is the computer-based sub-system for monitoring contract personnel. This sub-system has proven to be generally useful to both the Contract Personnel Division and the users. The only complaint recorded is that of overvoluminous reporting of information. This flaw is not unusual in a prototype and is easily corrected.

58. The provision of a technical advisory service has tended to create an atmosphere of consultation rather than direct operational involvement. By and large, the division performs its activities within the confines of its own space. There is a strongly felt need among personnel officers in operating components for more detailed training in the complexities of contracting. As with other specialty shops in OP, we urge the senior contracting officers to conduct regular

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seminars for small groups of personnel officers on current developments in contract management.

Retirement Affairs Division (RAD)

59. While RAD can see nothing but growth ahead in retirement workload, nevertheless, it was evident during our inspection that the evolution of the CIA retirement programs as an instrument of management policy, and the design of retirement procedures that provide the employee with a smooth transition to the outside world had indeed sailed into calmer waters.

60. There are many factors that help to explain the present status of this division. First of all we would note that the Agency has been well served by its retirement specialists. From the creation of the Retirement Task Force in 1967, to the organization of RAD in March 1969, to the present time, there has been displayed an imaginativeness, an innovation, and an eagerness to perfect the retirement system which have been exemplary.

61. Secondly, the policy aspects of retirement have been of such importance that the program has received constant, close attention from top management and from management all the way down the line. The system is widely understood.

62. Thirdly, the rapid rate of development of retirement systems and the growth of workload have kept the division generally on the lean

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side so far as frills are concerned. More seminars, more contact with employees on pre-retirement planning, and more feedback from retirees on the effectiveness of the system were being discussed as desirable additions to the program. Given the certainty of expansion of workload over the next years, we were not inclined to urge any early or significant diversion of resources to these lower priority areas.

63. Another explanation for calmer waters is the gradual working off of the initial group of hardship cases. As the Agency matures and virtually all employees move toward retirement with well designed, long-range financial plans, it seems highly probable that the rate of occurrence of hardship cases and of requests for special consideration will decline. Under the variety of circumstances noted, our recommendations concerning RAD fall in the category of adjustment rather than of major alteration of concept or execution.

64. RAD has a T/O of 28 consisting of three positions in the office of the chief, five in an External Employment Assistance Branch, two in Retirement Counselling supported by an officer on loan from each of the other directorates, and 18 in the Retirement Operations Branch. The latter handles the mechanics of annuity calculation and manages actual implementation in whole or in part depending on whether the employee retires under Civil Service or under the CIA Retirement and Disability System (CIARD).

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65. The retirement counselling system proved to be difficult to evaluate. In fact, counselling is performed throughout the division, and it is inevitable that there occur a certain amount of overlap between preretirement planning, financial, and job seeking aspects of the process. We were told that about one in five prospective retirees elects to bypass counselling. Among the rest are people at every stage of sophistication in managing their personal affairs, hence centralized counselling serves primarily as an insurance measure against oversight of detail, but is potentially of great value when the employee is inexperienced in financial planning. Other considerations in the provision of centralized retirement counselling are privacy for the employee concerning his personal affairs, provision of the best expertise available, and consistency in handling matters involving significant legal implications.

Retirement Operations Branch

66. The Retirement Operations Branch (ROB), the third of the three branches in the Retirement Affairs Division, is involved in the technical aspects of administration of the retirement systems in use in CIA. It has a T/O of 18, twelve professionals and six clericals.

67. The branch's main functions involve counselling prospective or past retirees in respect to the actual (financial) benefits, entitlements, and options available to them; effecting the technical and legal

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procedures of retirement; and operating the post-retirement program for retirees and dependents under CIARDS. Branch personnel work closely with the counselling branch in the same division, the Office of Security, Central Cover, and the Office of Finance.

68. The staffing pattern in the branch reflects the three main programs: (1) the CSC retirement system, (2) the CIARDS retirement system, and (3) the post-retirement CIARDS annuitants and survivors program. In addition, the deputy chief of the branch spends the bulk of his time as Executive Secretary to the Retirement Board.

69. The bulk of the Agency's employees are covered by the CSC retirement system. There were, as of 31 December 1970, 4,775 employees participating in CIARDS and 486 who have retired and are in an annuitant status. In FY-70, three hundred sixty-one Agency employees retired and were processed out by the branch. It conducted over 2,200 retiree counselling sessions and prepared over 5,600 annuity estimates.

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70. The two retirement systems, CIARDS and CSC, present markedly different problems. In the case of CSC, an employee once retired is turned over to the CSC completely and subsequent contacts, if any, are wholly between the Commission and the individual. The processing-out procedures, once completed, terminate all official Agency responsibility. Except for the Agency's retirement age being set at 60, the bulk of our

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staff employees are in step with Government employees generally. Participants in the CIARDS, however, come under the Agency system authorized by the Central Intelligence Agency Retirement Act of 1964 for Certain Employees. Not only are the qualifying conditions for retirement different than in the CSC system, the major variant is the fact that the Agency continues to be responsible for the employee after he becomes an annuitant, or for his survivors. Therefore, the main thrust of this program is one of providing service to an increasing number of employees. Stabilization of the CIARDS population lies many years away.

71. The deputy chief of the branch devotes the bulk of his time to the role of Executive Secretary, Retirement Board, and validating the participation of employees in CIARDS when first recommended, and again at the time of the 15th anniversary review. In FY-70 this involved staff work for 22 meetings of the Retirement Board at which over 100 cases involving domestic qualifying service and extensions of retirement dates were considered; validating the data supporting over 500 nominations to the CIARDS program; and reviewing more than 200 cases involved in the 15th anniversary review.

72. The recently approved Non-Staff Annuity Plan will be activated during FY-71/72. It will involve the establishment of procedures, records, etc., and the channels of communication and liaison with

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No problems are foreseen in adding this function to the ROB.

73. In summary, we find the Retirement Operations Branch a basically sound, well organized, and reasonably efficient unit. However, it is faced with severe growth problems. During the past five years the branch handled 1,342 retirements. Projected retirements for the next five years total 2,022. Of particular importance is the fact that retirements under the CIARDS system will jump from an average of 97 per year (past five years) to slightly over 200 per year during the next five years. This means that the annuitant roster will increase from approximately 500 at present to about 1,500 (minus deaths) in FY-75. Add to this an estimated additional 200 survivors during the next five years (116 at present--which is a fluctuating figure) and the magnitude of the future workload in the branch can be appreciated. Automation, more staff, and additional space will be required.

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